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# **Daily Report—**

## ***Supplement***

# **China**

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## **REGIONAL WORK REPORTS**

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**China  
SUPPLEMENT  
REGIONAL WORK REPORTS**

FBIS-CHI-92-064-S

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**Guangdong Government Work Report**

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[Guangdong Provincial Government Work Report, delivered by Guangdong Governor Zhu Senlin (2612 2773 2651) at the Second Session of the Eighth Guangdong Provincial People's Congress on 19 February: "Government Work Report"]

[Text] Fellow deputies,

On behalf of the Provincial People's Congress, I now submit the report on the work of the government for your examination and approval, and also for suggestions and comments from members of the Chinese People's Political Consultative Conference [CPPCC] and other observers.

**I. Review of Work Done in 1993**

The year 1993 was an extraordinary one for the development of the socialist market economy and the realization of modernization in Guangdong Province. It was also a year when we seized the opportunity to speed up development. Under the leadership of the Guangdong Provincial CPC Committee and the supervision of the provincial people's congress and its standing committee, we have implemented conscientiously the principles and policies of the CPC Central Committee and the State Council; maintained good momentum in the sustained, rapid and healthy development [chixu kuaisu, jiankang fazhan 2170 4958 1816 6643 0256 1660 4099 1455] of the national economy; and achieved new successes in science and technology, education, cultural development, and other social undertakings in the course of the year. Almost all the principal targets for economic and social development adopted at the first session of the eighth provincial people's congress have been fulfilled. Calculated on a comparable basis, the province's gross domestic product (GDP) is expected to reach 314 billion yuan (the 1993 price, same below), an increase of 21 percent over the previous year if it is calculated in terms of comparable items, while the total value of industrial and agricultural production is expected to soar by 31 percent to 597.4 billion yuan.

Encouraged by the important remarks made by Comrade Deng Xiaoping during his tour of south China and by the spirit of the 14th National People's Congress, the vast numbers of cadres and people throughout Guangdong stirred themselves up, emancipated their minds, and seized the opportunity to quicken the pace of economic construction. With the economy growing rapidly, the provincial government urged all localities to implement conscientiously the spirit of the first session of the eighth provincial people's congress by recognizing and seizing the opportunity to develop the reform in both depth and breadth, formulating policy measures that will promote economic development, and establishing a new supremacy for the development of the Guangdong economy. At the same time, the provincial government also followed closely the trends of economic development, kept track of and

analyzed the issues of key concern, strengthened macro-control, and promptly resolved new problems under new conditions. In the early part of the year, we stressed the need to combine emancipation of the mind with seeking truth from facts, insisting that we should proceed from reality in everything and should do everything in our power and within our capabilities. We wanted speed on the basis of achieving an optimal structure and better economic results, and opposed the blind vying for speed and the application of pressure at every level for "faster growth" without taking conditions into consideration. At the same time, through the strengthening of guidance over real estate development and the sorting out of development areas, we not only achieved considerable growth in real estate development and enabled various types of development areas to make a good start, but also brought about a change for the better in the over-extended scale of development. In the second half of the year, we implemented conscientiously the important decisions of the CPC Central Committee and the State Council on strengthening macrocontrol; seriously handled the relationships among reform, readjustment and development; and devoted major efforts to the consolidation of fixed-asset investment and the financial order. On the use of construction funds, we ensured the needs of key projects; strictly controlled the launching of new projects; examined and graded all projects under construction; and cut a number of projects that were not in conformity with the state's industrial policies, did not have the necessary funds, and did not have clear market prospects. We also conducted a general cleaning up of unauthorized inter-borrowing, illegal fund raising, and illegal financial institutions; strengthened price monitoring; and carried out a general inspection of prices and charges. Through these regulatory and control measures, we prevented major fluctuations in the national economy and ensured its healthy development. On the whole, the government was able to fulfill its 1993 tasks in a satisfactory manner.

**1. The national economy continued to develop in a sustained, rapid and coordinated way [kuaisu, xietiao fazhan 1816 6643 0588 6148 4099 1455].**

Last year, while developing the national economy at a great pace, our province also further optimized the economic structure and achieved notable improvements in economic results. Where the development of the three major sectors of industry was concerned, we made improvements in the primary sector, increased the weighting of the secondary sector, and made new headway in the tertiary sector. New achievements were made in agriculture and rural work. Local governments at all levels greatly strengthened their leadership over agriculture, and increased their input. Input by fiscal departments at various levels showed a 7.6 percent increase over the previous year. Although the province was repeatedly hit by typhoons and other serious natural disasters last year, the total value of agricultural production still reached 88.6 billion yuan, an increase of 3.5 percent compared with the previous year.

Grain, sugar cane, and fruit production dropped, but forestry, animal husbandry, and fishery all registered fairly large increases. Afforestation attained the planned targets two years ahead of schedule, and high-quality, high-yield, high-efficiency agriculture developed at a much faster pace. Township enterprises achieved an output value of 208 billion yuan, 45 billion more than in the previous year. Industrial production developed at great speed, and economic results improved. Total industrial output value increased by 36.5 percent to 508.8 billion yuan, and 96 percent of the goods produced were sold. Losses sustained by budget-covered state-owned industrial enterprises dropped by 37.6 percent, while total profits increased by 190.5 percent. Key construction projects showed smooth progress, while large-scale infrastructural construction was launched, and notable results were achieved in such areas as energy, transportation, telecommunications, and water conservancy. Investment plans for 45 key projects in the province were basically fulfilled. Sixty-three km of the Guangzhou-Shenzhen Expressway were completed and opened to traffic, the Guangzhou-Meixian-Shantou Railway extended passenger service to Heyuan, the construction of major tunnels and bridges on the Guangdong section of the Beijing-Kowloon Railway was in full swing, and the third phase expansion of the East River-Shenzhen River water supply project was completed ahead of schedule. Generating units with a total capacity of 3.88 million kilowatts [kw] were installed, an additional 150 kilometers of expressways were built, 1,349 kilometers of primary and secondary highways were built or improved, and telephone exchanges with a capacity of 2.2 million circuits were built in the urban and rural areas. New achievements were made in foreign economic relations and trade. According to statistical specifications that apply to the whole nation, total import-export volume for the year was \$46.9 billion, with exports accounting for \$27 billion and imports accounting for \$19.9 billion. A total of 19,000 contracts worth \$34.8 billion were signed with foreign investors, and foreign funds worth \$9.65 billion were used—an increase of 98.6 percent. Of this amount, \$7.498 billion were direct investment, another all-time record. Foreign affairs, overseas Chinese affairs, tourism, and other work also made positive contributions to economic construction in the province. The export-oriented economies of special economic zones, coastal open cities, and coastal open economic zones all made further headway. The domestic market was enlivened, and buying and selling were brisk. Total retail sales volume was 140.26 billion yuan, an increase of 32.3 percent over the previous year. Fiscal income showed a large increase. Annual receipts totaled 34.62 billion yuan, an increase of 56.4 percent, and expenditure totaled 33.42 billion yuan, an increase of 51.9 percent, indicating that we had a balanced budget with a small surplus. Bank deposits and loans continued to grow. By the end of 1993, the balance of various types of bank deposits totaled 271.98 billion yuan, up 14.4 percent, while the balance of borrowings was registered at 223.73 billion yuan, up 23.4 percent. Development of mountainous areas accelerated, and a successful job was done in supporting the poor. Total industrial and

agricultural production value in the 50 mountainous counties (districts) in the province was 91.1 billion yuan, an increase of 26 percent over the previous year; revenue increased by 43 percent to 3 billion yuan; and the per capita annual net income of peasants showed real growth of 5.8 percent. We secured a life with sufficient food and clothing for 130,000 people, and helped 1 million people shake off poverty, thereby basically fulfilling the objectives set early last year. People's living standards continued to improve. A sample survey last year showed that per capita living expenses for urban residents in the province amounted to 4,277 yuan, while peasants' per capita net income was 1,675 yuan—increases of 10.1 percent and 6.1 percent over their respective 1992 figures after allowing for inflation. The volume of savings deposits for urban and rural residents was 187.45 billion yuan, 41.5 billion yuan more than in the beginning of the year, or 2,881 yuan per capita. Housing for urban and rural residents also continued to improve. Last year, various types of new housing units were built, with total floor space amounting to 56.73 million square meters. A large number of urban residents with housing problems moved into new units. New headway also was made in urban and rural construction and in environmental protection.

## 2. The further deepening of reforms.

With internal reform and the change of operational mechanisms in full swing, various types of enterprises were able to make notable progress in exercising management autonomy, gearing themselves to market needs, strengthening management, and improving economic results. The provincial government organized and deployed 10 inspection teams to 20 cities to check up on the implementation of the "Regulations Concerning the Transformation of Operational Mechanisms in Industrial Enterprises Owned by the Whole People" and our province's own "Methods of Implementation." This work has been instrumental in ensuring the decisionmaking powers of enterprises. The 2,000-plus pilot enterprises for comprehensive reform achieved notable results and played an exemplary role in the transformation of operational mechanisms. Reform of the shareholding system was tried out on an extended scale and was moving in the direction of standardization. Last year, we approved the establishment of 159 limited-liability stock companies and listed a number of companies on the stock exchange. Management of joint-stock companies and the stock market was strengthened. The joint-stock cooperative system made swift headway in rural areas, with the number of joint-stock cooperative enterprises exceeding 30,000.

The individual and private economies continued to develop. The market system further matured. The whole province went all-out in developing special commodity transaction markets and large shopping arcades, and in cultivating futures markets. The scale of various types of markets in the urban and rural areas further expanded, and the volume of market transactions grew steadily. The capital goods markets also further expanded. Today, about 98 percent of capital goods consumed in the province are

obtainable through the market. The system of compensated land use was instituted in over 90 percent of cities and counties in the province. Substantial headway was made in the development of markets for production factors. Gradual improvement was made in the pricing mechanism, with market forces playing a dominant role; reform of the social security system also steadily advanced. The scope covered by the old-age insurance system was enlarged, and reforms were carried out in the operation and management of funds for unemployment, medical care, industrial-injury insurance, and social insurance. The unemployment rate in urban areas was kept within the 2 percent level. The reshuffling of government organs was grasped without letup. A program was drawn up for the reform of organs directly under the provincial government. A number of permanent organs were abolished, with steps taken to relocate their staff members. Smooth progress was made in the experimental reform of government organs in 15 cities and counties. Reforms of the financial, scientific and technological, educational, cultural, public health, and urban housing systems also continued to deepen.

### **3. New advances were made in cultural and ideological progress and other social undertakings.**

We persisted in stressing both material and cultural-ideological progress, seriously organized people throughout the province to study in depth Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and continued to conduct in-depth education on patriotism, collectivism, and socialism. A variety of activities for the promotion of cultural and ideological progress—such as those aimed at fostering a new work-style; the spirit of dedication; and the establishment of civilized units, neighborhoods, villages, and households—were launched extensively in light of reality. These activities brought about an improvement in people's political and ideological awareness and their moral qualities, and yielded satisfactory results. In order to accelerate the development of education in science and technology, the provincial government decided that starting last year, 723 million yuan would be raised and injected into the scientific and technological education fund each year. Notable results were achieved in science and technology, and new headway was made in the commercialization and industrialization of scientific and technological achievements, with focus on new and high technologies and their industrial development. The six state-level high and new technology development areas in our province all were able to maintain a good momentum of growth. Smooth progress was made in the implementation of the "Torch" and "Spark" Programs. New achievements were made in technological development and basic research. Education saw accelerated development. Last year, another 13 counties (cities and districts) passed the assessment and acceptance test for the implementation of compulsory junior secondary education. Universal nine-year compulsory education was practiced in 58 counties (cities and districts), or half of the number of counties in the province. In some

economically better-developed cities and counties, universal senior secondary education was introduced. Vocational, technical and adult education saw rapid development. The number of specialized higher and secondary institutions increased, enrollment expanded markedly, and distribution became more rational. Cultural and artistic creation, as well as mass literary and art activities thrived. A number of outstanding works emerged which reflected the spirit of the times and displayed local characteristics. Control of cultural markets produced fruitful results. The authorities carried out three large-scale raids on the province's audio-video and cultural markets and recreational outlets, stepped up the expansion of the ranks of cultural inspectors, and strengthened the management of cultural markets. Journalism, publication, and radio and TV broadcasting saw further development, and played an important role in promoting cultural and ideological progress and in enriching people's spiritual and cultural lives. Health conditions in the urban and rural areas improved. Achievements were made in terms of ensuring that township hospitals and county-level epidemic-prevention and health-protection organs were not housed in dangerous buildings and that they had appropriate accommodation, facilities, and personnel. Good results were achieved in sports. Our athletes broke 10 world records 17 times, and won 19 world championships. At the Seventh National Games, they won 31 gold and silver medals, and came second in terms of overall scores and medal counts. Mass sports activities continued to develop. A good job was done in family planning. The natural population growth rate was maintained at 12.5 per thousand per annum, suggesting that the target set by the state was fulfilled. National defense education for the whole citizenry continued to develop in depth. Closer ties were cemented between the Army and the government and between soldiers and people, and the work to support the Army and cherish the people, to support the Army and give preferential treatment to the families of soldiers and martyrs, and to arm grass-roots units; was strengthened. Armed forces units stationed in Guangdong, the People's Armed Police, the militia, and the reserve service all played an active role in rescue work and the maintenance of public order, and made new contributions to the promotion of material progress, as well as cultural and ideological progress. New achievements were made in minority nationality and religious affairs, archives, the protection of cultural relics, social welfare, and old-age care.

### **4. The comprehensive consolidation of public order and the establishment of a democratic legal system were strengthened.**

With the spearhead directed against salient public order problems, we strengthened the work of comprehensive consolidation by organizing a series of special campaigns against thieves on public transport and bandits on roads, criminal gangs of a secret society nature, prostitution and whoring, gambling and drug dens, as well as smuggling and the selling of smuggled goods. Major raids also were organized against key spots and venues.

Thus social stability was effectively maintained. The provincial government decided last year to increase contributions to administrative and legal development funds by 172 million yuan each year. It also decided to further enhance the strengthening of the ranks of administrative and legal personnel by increasing staff size and improving equipment. Economic auditing and administrative supervision were strengthened, and violations of law and discipline in the economic sphere were investigated and dealt with in accordance with law. Local governments at all levels continued to implement conscientiously the resolutions of the provincial people's government and its standing committee, and consciously accepted supervision by the provincial people's congress. The provincial government handled 327 proposals and recommendations submitted by deputies to the national and provincial people's congresses, as well as 252 motions submitted by members of the national and provincial committees of the CPPCC. Last year 18 pieces of local legislation submitted by the provincial government were examined and adopted by the standing committee of the provincial people's congress, and 31 rules and regulations were promulgated by the provincial government. Lawyers and notarial organs worked hard to provide legal services for economic construction. Local governments at all levels devoted major efforts to the fight against corruption, and achieved intermediate results in promoting honesty and self-discipline, in rectifying unhealthy practices among leading cadres, and in tackling issues of key concern to the masses. Government organs at all levels improved their work style, further established and improved various administrative systems, perfected administrative procedures, increased the transparency of government, and improved working efficiency.

Over the past year, our province achieved economic prosperity, social stability, and tremendous successes on all fronts. These were the results of the concerted struggle waged by people throughout the province under the correct leadership of the CPC Central Committee and the State Council. We also owed these successes to the support and assistance given us by the PLA units stationed in Guangdong; democratic parties; people's organizations; Hong Kong, Macao and Taiwan compatriots; and overseas Chinese compatriots; as well as friends all over the world. On behalf of the Guangdong Provincial People's Government, I extend to them our highest esteem and heartfelt thanks.

While affirming our achievements, we also must view soberly the new contradictions and problems that cropped up in our social and economic development last year. First, the scale of fixed-asset investment was over-extended. Last year, fixed-asset investment in the province totaled 146.1 billion yuan, an increase of 58.5 percent over the previous year. The use of funds was rather scattered, and there still was not much rationality in the readjustment and layout of the investment structure and in fund use. Second, there were too many weak links in agricultural production. Investment was sufficient, the loss of arable land was excessive, and the ability to prevent and fight natural disasters still left much to be desired. Our province suffered repeated spring chills and flooding, and was hit by six

strong typhoons last year. These natural calamities caused our agricultural sector more than 12 billion yuan in direct economic losses. Third, prices rose substantially. The general retail price index for the whole of last year was 18.2 percent higher than in 1992, and exceeded the control targets set by the provincial government early last year. Fourth, the public order situation was grim and there was an increase in the number of criminal offenses. Apart from these, there were enterprises that performed poorly and were heavily indebted. In some localities, contradictions reflecting clashes of interest relations among the people increased, and some localities lagged behind in economic development, while some had serious fires and accidents. These are problems that deserve our attention and that we must tackle in the course of advance.

Fellow deputies! In the new year ahead, we will be confronted by good opportunities, as well as grave challenges. The trend of peace and development cannot be held back, and the international environment has further improved. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the decision of the 14th National CPC Congress and the 3d Plenary Session of the 14th CPC Central Committee on the establishment of a socialist market economy structure have further charted our course of reform and opening up. The whole country is deepening the reform, opening wider to the outside world, and pushing ahead in economic construction. We must cherish, grasp, face, and welcome this opportunity. Although we are likely to meet numerous other new challenges on our road toward the basic realization of modernization before the year 2000, with the foundation laid by more than 10 years of reform and opening up and with the great enthusiasm and wisdom shown by people throughout the province in construction, we definitely will be able to overcome difficulties and win new victories in reform and development.

## II. Ensure the Sustained, Rapid, and Healthy Development of the National Economy

The year 1994 will be an important one for our province in accelerating the establishment of the socialist market economy structure and in economic development. The guidelines for the work of the government are: To conscientiously implement the spirit of the 3d Plenary Session of the 14th CPC Central Committee and the second session of the 7th provincial people's congress; actively promote reforms for the establishment of the socialist market economy structure; open wider to the outside world; make an earnest effort to shift the focus of economic work into the orbit of striving for better economic results; readjust and optimize the economic structure; properly handle the relationship among reform, development, and stability; ensure the sustained, rapid, and healthy development of the national economy; and promote the all-round progress of all social undertakings.

Based on a forecast of the overall trend of economic development, and bearing in mind that economic targets must be arranged in such a way that they can create an environment conducive to reform, the following planned

targets have been adopted for our province: GDP growth—15 percent; total industrial output value growth—21 percent; total agricultural output value growth—5 percent; real growth in fixed-asset investment—13 percent; total retail sales growth—21 percent; revenue growth—10 percent, calculated in comparable terms; growth in total import-export volume—16 percent; increases in the general retail price index—around 12 percent.

In order to achieve these targets, it is necessary to pay special attention to the following ten tasks:

**1. Steadily develop agriculture and the rural economy.**

Governments at all levels must have a better understanding of the position of agriculture as the foundation of the economy; must strengthen their leadership over agriculture and rural work; and through guidance, support, protection, regulation and control, must increase input in agriculture in diverse ways so as to invigorate the agricultural economy. We must continue to readjust and optimize the pattern of agricultural production; invigorate agriculture through application of scientific and technological advances and the promotion of education; do a good job in running various types of farming-breeding and demonstration bases; promote advanced and applicable agricultural science and technology in an all-round way; and accelerate the development of high-quality, high-yield and high-efficiency agriculture, forestry, animal husbandry, and fishery. We must strengthen land management, strictly forbid the unauthorized seizure and use of arable land, and establish a basic farmland protection system. We must do a good job in the construction of commodity grain bases so as to ensure the steady development of grain production. We also must establish a system whereby the price of grain sold under purchase contracts is protected, and set up a grain risk fund in order to increase peasants' income. Effective measures must be taken to stabilize the acreage sown to grain and sugar cane, ensuring that we have at least 3.3 million hectares under grain and 260,000 hectares under sugar cane each year. We must strengthen farmland capital construction and concentrate on the construction, harnessing, repair, and reinforcement of key water conservancy projects—such as the construction of embankments along major rivers and the Feilai Gorge Water Control Project—so as to increase our capacity to fight and resist natural disasters and improve the conditions for agricultural production. We must make a success of the exploitation, utilization, and protection of water sources; develop the forestry economy; increase the acreage of fine forests and orchards; do a good job in forestry protection; and consolidate the achievements of afforestation. We must speed up the exploitation of slopes, extensively cultivate pastures, and actively develop grazing stock and rare animals so as to bring about a larger increase in the total number of livestock. We must stabilize and improve the

two-tier management system, with contracting on a household basis forming the mainstay; actively develop the rural joint-stock cooperative system; and promote a moderate degree of economies of scale and intensive management in agriculture. We must develop various collectivized service systems in rural areas; gradually promote insurance for agricultural production; accelerate the integration of trade, industry, and agriculture; and enliven the flow of agricultural products. Care must be taken to integrate the development of township enterprises with the development of small towns in order bring about a higher level of urbanization in rural areas. We also must make full use of our superiority in having a long coastline and a vast sea area in order to further accelerate the exploitation and utilization of seas, coastal belts, and islands so as to develop a maritime economy in a big way.

**2. Maintain rapid industrial growth on the basis of improved performance.**

Achieving better economic performance is the key link in improving industrial production. Governments and departments at all levels must firmly grasp this key link; firmly uphold the policy of a high starting point, a high level, and a large scale in promoting technological development and technological transformation in an all-round way; speed up readjustment of the product mix; and improve the quality, grade, and production-marketing ratio of products. We must give energetic support to the development and production of new products, create a number of brand-name products, and establish a number of "star" enterprises in an effort to form some pillar industries and series of new products that have a competitive edge. We must attach special importance to follow-up technological transformation in 100 key enterprises and ensure the implementation of major technological transformation programs. International standards must be adopted in promoting standardization in enterprises. We must pay attention to the organization, deployment, and coordination of energy, transport, material resources, funds and other important factors of production. The internal management of enterprises must be strengthened. Emulation activities aimed at "changing the operational mechanism, grasping management, enhancing capability, and improving performance" must be launched in all enterprises in the province, and unremitting efforts must be made to grasp the management of work at the grass-roots level and in workshops in order to tap potential, reduce energy consumption, lower cost, and accelerate funds turnover. We must continue to grasp the work of turning deficits into surpluses and strive to bring about the unity of speed and performance. All enterprises must effectively ensure the legitimate rights of their staff members and workers, and improve their production and living conditions. Further efforts must be made to strengthen leadership over safety in production, establish and improve safety responsibility systems in production at all levels, stop all loopholes, remove hidden perils, and guard against the occurrence of serious accidents.

**3. Attach importance to key projects and accelerate the development of infrastructural facilities and basic industries.**

Doing a good job in developing transportation, energy, telecommunications, and key raw and semifinished materials industries is an important task confronting our province in its efforts to speed up modernization. While ensuring a rational level of fixed-asset investment, it is necessary to strengthen and improve macrocontrol, optimize the investment structure, and continue to give priority to infrastructural construction, basic industries, and technological transformation in investment. On the basis of the availability of funds, it is necessary to make rational arrangements for construction projects and keep new projects under strict control. Real estate development must be carried out in a positive and steady manner. Efforts also must be made to reduce the number of up-market buildings and villas and to step up the construction of residential units with a small profit margin for people with housing problems.

Our province has 33 major construction projects under way this year, with total investment amounting to 73 billion yuan, and 20 billion yuan in investment planned for the current year. Among these projects, five are new. They include the Guangzhou subway, the coastal expressway in the western part of the province, the Guangdong section of the Beijing-Wuhan-Guangzhou fiber-optic cable, the Feilai Gorge key water conservancy project, and the Dahe Reservoir project. The remaining 28 are projects already under construction. They include construction of the Beijing-Kowloon Railway, where work will be in full swing on all sections; the Guangzhou-Meixian-Shantou Railway, where track-laying will reach the Lianhuashan Pass and freight transport will be extended to Meixian; the Guangzhou-Shenzhen Quasi-Express Railway, where efforts will be made to put China's first quasi-express train into service; the completion of the Guangzhou-Shenzhen Expressway; the Humen Bridge, where work will be accelerated; the commissioning of a number of 10,000-ton berths at new ports; as well as efforts to step up the construction of key raw and materials projects, such as the two ethylene plants at Maoming and Guangzhou. The following targets have been adopted for key infrastructural projects in the province: Increase power generating capacity by 3 million kw, build 140 km of expressways and 400-500 km of first-class highways, and increase program-controlled telephones by 2.5 million circuits. In accordance with the principle of "unified planning, coordination between central and regional authorities, responsibility at each level, and joint development," governments at all levels and various departments must mobilize the whole society, persist in raising funds in diverse ways, improve the fund-raising mechanism for key projects, strengthen organizational coordination and management, promptly tackle problems and difficulties arising in the course of construction, and ensure the completion of projects on time with attention to both quality and efficiency.

**4. Open wider to the outside world and promote pluralism in foreign economic relations and trade**

Opening wider to the outside world is an important guarantee for accelerating the Guangdong economy and for convergence with the international economy. We must grasp the opportunity and promote the opening of the province on multiple levels and in wide areas, as well as in breadth and depth. Special economic zones, coastal open cities, and the Pearl River Delta must continue to set the pace for opening to the outside world. The role of Guangzhou as a pilot city for comprehensive reform must be brought into play, and the pace of modernizing the export-oriented economy must be quickened. The eastern and western flanks of Guangdong and the mountainous areas in the heartland must strengthen the work in forming links with other parts of the country and importing from abroad, improve the investment environment, promote opening to the outside world in all directions, and accelerate the pace of development. The development zones must do a good job in planning, accelerate infrastructural construction, and grasp the completion and commissioning of a number of projects. Foreign affairs, overseas Chinese affairs, and tourism must continue to serve the opening of the province in a positive way and strive to absorb funds, talent, and technology from abroad. Efforts must be made to strengthen exchanges with other countries and to form friendly ties with overseas cities. It is necessary to further implement the policies with respect to overseas Chinese nationals, particularly housing policies for relatives of overseas Chinese nationals in cities and towns, and to make a success of overseas Chinese farms. We must strengthen ties and cooperation with overseas Chinese compatriots and compatriots from Hong Kong, Macao, and Taiwan, and fully bring into play the superiority of Guangdong as the hometown of many overseas Chinese. We must make an earnest effort to plan and build tourist spots in the province; develop Guangdong, Hong Kong, and Macao into a "big tourist triangle"; open up international tourist routes; improve the quality of tourist services; and tap the source of tourists. We must promote reform of ports, strengthen port management and port construction, and improve work at the customs and other checkpoints in order to provide the opening of our province to the outside world with excellent coordinated services. We must value the close ties of cooperation already formed with Hong Kong and Macao, as these ties are in keeping with the aspirations and interests of the people of the three places. The people of Guangdong must render positive efforts toward the smooth return of Hong Kong and Macao, as well as to their prosperity and stability.

We must fully grasp the favorable opportunity for the reform of foreign trade and strive to expand our foreign economic relations and trade. We must persist in putting quality first and accelerate the realization of the strategy to diversify export markets. While consolidating the Hong Kong and Macao markets, we must concentrate efforts to open up markets in North America, Western Europe, Southeast Asia, and Japan, and must increase our market shares in these areas. We also must continue with our

efforts to open up markets in Eastern Europe, the Commonwealth of Independent States, South Africa, Africa and Australia. We must create conditions for the development of overseas enterprises, run multinational enterprises and international cooperative production enterprises, and establish overseas regional sales networks. We must attach importance to the development of trade with Taiwan. We must devote major efforts to developing international technology, labor exports, and overseas engineering contracts. We must strengthen import-export management and achieve better export returns. We must optimize the foreign investment structure, actively import high technology, attach importance to the work of attracting more international consortiums and multinational companies to invest in Guangdong, actively explore ways to make use of the international capital market, win foreign government loans and loans from the Asian Development Bank and World Bank, and improve the realization rate of foreign capital pledged. It is also necessary to strengthen the management of and provision of service to foreign-invested enterprises in accordance with the principle of equality and equal benefits, as well as the principles, policies, laws, and regulations stipulated by the state.

#### **5. Develop tertiary industry and cultivate various types of markets.**

Rationally developing primary, secondary, and tertiary industries, and achieving better coordination among the three sectors is a necessity for the basic realization of modernization in our province by the year 2000. This year, substantial headway must be achieved in accelerating the development of tertiary industry. We must implement conscientiously the Decision of the CPC Central Committee and the State Council on "Accelerating the Development of Tertiary Industry," as well as the proposals for implementation drawn up by the provincial party committee and the provincial government, do a good job in general surveys, make concrete plans, and strive to increase the proportion of tertiary industry in the national economy. Growth of the tertiary sector in special economic zones and the Pearl River Delta must be higher than GDP growth. Mountainous areas, as well as underdeveloped areas, must quicken their pace of development. In developing tertiary industry, we must concentrate on speeding up the establishment of the market system and stimulate circulation. We must uphold the coordinated development of all economic sectors, with the public sector constituting the mainstay. We must continue to develop the commodity market and conscientiously grasp market development. Places that meet the necessary conditions should strive to set up more up-market large commercial and trading centers. Efforts also must be made to speed up the cultivation of various production factor markets, particularly the development of the financial, technological, information, labor, and transportation markets. We must accelerate the development of intermediary services, such as accounting, legal advice, auditing and counseling; accelerate the training of personnel providing intermediary services through a variety of effective ways and means; establish and improve various types of intermediary service organs; strengthen management; and actively provide

high-quality service. We also must pay close attention to the establishment and improvement of market rules and regulations, protect fair competition, and strictly ban fake and inferior goods.

#### **6. Effectively control commodity prices and improve the people's living standards**

Keeping prices basically stable is an important condition for the smooth progress of reform. As the scale of national construction expands and the price reform progresses, price rises are unavoidable, but they must be contained within a reasonable range. We must actively and properly implement the state's price reform program; choose the opportune moment to further rationalize transport, energy, and telecommunications charges, as well as the prices of products like cured tobacco and cocoon; and step up the improvement of the price formation mechanism in which market forces play a dominant role. It is necessary to strengthen the government's macroeconomic control and management of prices, uphold and improve the system of responsibility for price control targets for governments at all levels, proceed from the work of increasing the supply of essential products, strengthen "Rice Basket" and "Shopping Basket" Projects, and effectively stabilize the prices of products that have a vital bearing on the everyday life of the masses. We must improve the reserve system for important commodities like grain, oils, sugar, and meat, as well as measures for price control. We must strengthen the management of administrative charges, strengthen price supervision and inspection, resolutely investigate and deal with the unlawful practices of random charges and price rises, and protect the legitimate interests of consumers.

Through efforts to develop the rural economy, improve the performance of enterprises, and promote the reform of the job allocation and wage systems in enterprises and administrative establishments, we should pay attention to resolving the actual difficulties of retirees, steadily raise people's income level, and improve their living conditions.

#### **7. Maintain fiscal balance and credit balance**

Actively carrying out reform of the taxation system and reform of the tax-sharing fiscal system in accordance with the unified arrangements of the state is a central task of our province's fiscal work. Governments at all levels must do a conscientious job in their fiscal and taxation work, and must strive to tap new sources of revenue and to economize on expenditure. It is necessary to manage taxation strictly in accordance with law, improve the means of tax collection; strengthen tax collection and management, particularly the collection and management of personal income tax and enterprise income tax; and ensure a steady growth of local revenue and revenue to be turned over to the central authorities, in order to make greater contributions to the state. In accordance with the principle of "planning our expenditures in light of our income and maintaining a balance between income and expenditure," we must manage our budgets strictly and must not allow any deficits. We must do a conscientious job in arranging

and managing normal revenue and expenditure; give priority to the dispensing of normal operating expenses to local state organs at various levels and wages to administrative units; and guarantee input into agriculture, science, education, and other key areas, as well as public spending. We gradually must resolve the problem of scattered financial resources, reform the existing expenditure structure, practice strict economy, resolutely control unreasonable expenditure, and ensure fiscal balance. Efforts also must be made to complete the issuing of treasury bonds.

It is necessary to continue to strengthen bank credits and the control and management of money supply, and to improve the mechanism for a benign cycle of credit "borrowing, use, and repayment." In conjunction with fiscal reform, we must concentrate our efforts on readjusting the credit structure, truly support units that perform well and restrict those that perform poorly, ensure the fund needs of key projects, keep dynamic accounts of funds on deposit, speed up the turnover of funds, and make effective use of funds. We must continue to prohibit random fundraising. We must improve banking services and energetically organize deposits. In particular, it is necessary to stabilize enterprise deposits, strengthen bank provisions, do a good job in cash management, and strictly control the irrational release of cash. We must strengthen foreign debt management and prevent blind borrowing. It is also necessary to improve various management systems, standardize various types of financial operations, and consolidate the results of the financial overhaul.

#### **8. Accelerate economic development in mountainous areas and quicken the pace of shaking off poverty and achieving prosperity**

Speeding up economic development and the work to shake off poverty and achieve prosperity in "old, newly developed, mountainous, border, and poverty-stricken" areas is a task with an important bearing on the basic realization of modernization in our province by the year 2000.

Governments at all levels and various departments must attach further importance to and support economic development in 50 counties in mountain areas, make full use of the resource superiority of mountainous areas, suit measures to local conditions, and blaze new trails for economic development in mountainous areas. We must implement conscientiously the spirit of the eighth provincial conference on work in mountainous areas, energetically develop township enterprises in mountainous areas, concentrate energy on the vigorous grasping of infrastructural construction in mountainous areas and the improvement of their backward transport conditions, and speed up the exploitation of local resources and the work of absorbing foreign capital. According to the new standards prescribed by the state, our province still faces an arduous task in supporting the poor at present. We must continue to implement the existing support-the-poor policies and the related support systems of the provincial party committee, provincial government, and relevant units directly under the provincial government; resolutely adhere to the principle of "the province giving support to counties, cities

giving support to townships, and townships giving support to management districts and villages"; and implement the system of contracted responsibility for different levels. We must do a better job in resettling people in extremely poverty-stricken limestone areas and on reservoir sites, continue to support extremely poverty-stricken townships in their efforts to expand their collective economy, concentrate energy on supporting poverty-stricken households, and strive to basically resolve the problem of providing these people with sufficient food and clothing in accordance with new standards before the end of this year.

#### **9. Attach great importance to science, technology, and education; promote scientific and technological progress; and improve the quality of laborers.**

Accelerating the development of science, technology, and education is the fundamental way to turn our national economy from an extensive economy into an intensive one. Governments at all levels must strengthen their leadership over scientific and technological work, increase input into science and technology through diverse channels, gradually establish an operating mechanism for science and technology which suits our economic development, and devote major efforts to increasing our comprehensive scientific and technological strength. In our scientific and technological development, it is necessary to face the main battlefields of economic construction; take commercialization, industrialization, and internationalization as our objectives; and concentrate our energy on the development of electronics information, bioengineering, new materials, fine chemicals, mechatronics, and other high and new technologies and industries. We must see to it that enterprises become the main entities for scientific and technological development, encourage enterprises to run their own research organs, and enhance the capability of enterprises to absorb technologies and carry out research and development on their own initiative. It is necessary to bring into full play the role of existing special research organs and institutions of higher learning, strengthen research on basic and applied science, and organize key scientific and technological projects and intermediate trial production in order to steadily raise the scientific research capability and technological level of our province. We must protect intellectual property, do a good job in patenting work, accelerate the conversion of existing scientific and technological achievements into productive forces, and raise the technological content of products. We also must continue to do a good job in running the six state-level high- and new-technology development areas and the Pearl River Delta High Technology Industrial Belt, and expand the scope of technological proliferation.

Continue to uphold the strategy of giving priority to the development of education. We must raise funds for education through diverse channels and improve the conditions for running schools. We must promote reform of the educational system, readjust the educational structure, and make a success of pilot projects for comprehensive educational reforms in both rural areas and cities. The Pearl River Delta and counties where conditions are right must make an effort to popularize senior secondary education.

We must devote major efforts to developing secondary vocational and technical education and various types of adult education, and to providing on-the-job training for staff members and workers. We must strengthen preschool and special education, and develop various types of post-secondary education through various channels. In tertiary education, we must further optimize the distribution of institutions and the structure of specialties in an effort to train all kinds of specialized personnel for modernization. Moral education must be strengthened in all schools and the quality of education must be improved in an all-round way. We must earnestly organize the implementation of the "PRC Teachers Law," show greater concern for teachers, create the necessary environment for the continuous improvement of teachers' working and living conditions, stabilize and enlarge the ranks of teachers, and improve the quality of the ranks of teachers.

**10. Strengthen urban and rural planning and management, and make an earnest effort to do a good job in environmental protection**

We must have our eyes on the future; hold ourselves responsible to coming generations; persist in synchronous planning, implementation, and development for economic construction, urban and rural planning, and environmental construction; and must not carry out construction at the expense of the environment.

In accordance with the requirement of "unified planning, rational distribution, comprehensive development and coordinated construction," governments at all levels must strive for planning from a high starting point, construction of a high standard, and efficient management in order to be able to stand the test of time. It is necessary to quicken the pace of development in villages and small towns; concentrate energy on the planning and development of the seats of government of our 1,000-plus small towns; and turn them into rural economic, political, and cultural centers with fairly comprehensive functions. In environmental management at the small-town level, there must be the necessary leadership, a contingent of environmental protection and health personnel, guaranteed funds, and garbage and sewage treatment plants, as well as rules, regulations, and systems for environmental protection and public health work. By properly grasping work at the small-town level, we can bring along work at the village level. We also must uphold the principle of "unified planning, unified land acquisition, unified development, unified alienation, and unified management," and effectively strengthen land development, utilization, and management in both urban and rural areas. Strict standards must be adhered to in the examination, approval, and management of land use for construction purposes and of land use in the development areas. In the development of new villages by peasants, the use of land on slopes should be advocated. We must strengthen the comprehensive improvement of highways; do a good job in cleaning up, greening, and landscaping roadsides; take effective measures to tackle the problems of illegal construction and the dirty, messy, and poor environment in an all-round way; and strive to improve the view along roads. We must grasp

urban environmental protection and the prevention and control of industrial pollution in accordance with law; attach importance to the comprehensive control of the "four harms" of sewage, waste gas, industrial residue, and noise pollution; and strive to achieve harmony between the overall environment and economic construction in order to continuously improve people's living environment.

**III. Reforms for Promoting the Establishment of the Socialist Market Economic Structure**

The "Decision" of the 3d Plenary Session of the 14th CPC Central Committee is the program for accelerating the establishment of the socialist market economy structure. Our province must and can continue to set the pace in reform, and establish the basic framework for a socialist market economy structure in five years. With this in mind, and in accordance with the strategy of "general advance and breakthrough at selected areas," we must quicken the pace of reform while grasping reforms in the following seven areas.

**1. Speed up the establishment of a modern enterprise system.**

We must be innovative in the establishment of a modern enterprise system. A total of 250 enterprises in the province will be chosen as pilots for the establishment of a modern enterprise system, and the experience thus gained will be promoted gradually. It is necessary to further implement the "Enterprise Law" and the "Regulations on Changing the Operational Mechanisms of Industrial Enterprises Owned by the Whole People," and effectively extend to enterprises the various rights and responsibilities pertaining to their management. It is also necessary to promote reform of the internal operational mechanisms, the labor and personnel system, and the distribution systems of enterprises in an all-round way, and to implement conscientiously the "Guidelines for Accounting in Enterprises" and the "General Financial Rules for Enterprises." These reforms should be completed before the end of this year. We must take reform of the property rights system as the point of breakthrough to accelerate reform of the system for management of state-owned assets. We must firmly grasp the establishment and improvement of state-owned asset management organs at all levels, and strengthen the management and supervision of state-owned assets by earnestly implementing the soon-to-be-published "Regulations for the Supervision and Management of the Assets of State-Owned Enterprises." We must unfold a general checkup of assets, define property rights, settle claims and debts, reappraise assets, and verify state capital. We must do a good job in property rights registration, clarify equity relations, and speed up the establishment of a standardized equity transaction market. Efforts must be made to study the organizational forms of equity of state-owned enterprises; promote the pluralization of equity through such means as alienation, mergers, leasing, and auctions; and bring about the compensated use of state-owned assets and their appreciation against inflation. We must earnestly publicize and implement the "PRC Company Law." In general, the corporate

system must be practiced in all newly established companies. We must systematically promote the corporate system in existing enterprises. In light of specific conditions, wholly-owned companies, limited-liability companies, limited-liability stock companies, and other forms may be adopted. We must continue to enlarge the scope of experimentation in the standardized joint-stock enterprise system. Positive efforts must be made to adopt the shareholding system in new development and construction projects, and efforts must be made to increase the number of publicly listed, limited-liability stock companies. Joint-stock companies must play a good exemplary role in standardized management and in the transformation of management mechanisms. We must continue to do a good job in making use of foreign funds to rejuvenate old enterprises.

## 2. Ensure the smooth progress of reform in the fiscal and taxation systems.

We must do a good job in tax reform, reform of the tax-sharing system, and reform of the profit-distribution system in state-owned enterprises—all in strict accordance with the unified requirements of the central authorities. Governments at all levels must resolutely subordinate themselves to the overall needs of reform and the overall interests of the state; properly handle relations between different quarters; protect the enthusiasm of governments at all levels in increasing revenue, reducing expenditure, and developing the economy; and ensure the smooth progress of reform. With the state now implementing the tax-sharing system, we must continue to practice the system of fiscal responsibility in cities and counties. The overall requirement is: 1) Rationally fix the pattern of interest distribution between the provincial government and the city and county governments. In accordance with the principle of protecting the vested interests and enthusiasm of the local authorities while ensuring that the provincial fiscal department can appropriately centralize financial resources and increase its regulatory and control capability, it is necessary to appropriately readjust the base figures of various cities and fix the annual rates of increase in light of the tax-sharing method practiced by the central government and the actual situation in various cities. 2) The provincial government must appropriately pool financial resources in given proportions from the additional revenue generated by different cities in 1993. These resources will be spent mainly on ensuring provincial public expenditure; helping out mountainous and poverty-stricken areas; supporting agriculture and scientific, educational, cultural, and public health undertakings; and supporting expansion of the ranks of public security, procuratorial, and judicial personnel. 3) Clearly and accurately settle accounts in strict accordance with policy regulations and promote this practice from city to city. Governments at all levels must do a good job in various kinds of groundwork for reform of the taxation system; establish a system of intermediate tax, with the value-added tax as the mainstay; and improve the local taxation systems and various supporting systems. In conjunction with the tax reform and the implementation of the "two

regulations," it is necessary to readjust and standardize in a rational manner the relations of interest distribution between the state and enterprises. We must strengthen the collection and management of various types of taxes, and set up taxation organs at the central and local levels. Reform of the fiscal and taxation systems touches on various aspects of economic work. When promoting the reform, we must conscientiously handle various new problems and continually work for their improvement in order to increase the sources of revenue and arouse the enthusiasm of enterprises. Through promotion of fiscal and tax reforms, it is necessary to make positive efforts to explore new ideas for straightening out the relations between the localities and the fiscal departments in revenue distribution and for broadening the sources of revenue, and establish a good mechanism that can truly bring about the unity of fiscal and operational authority.

## 3. Steadily promote reform of the financial system

We must support and assist the provincial branch of the People's Bank of China in the transformation of its functions and in its exercise of stronger financial supervision. We must transform the operational mechanism of specialized banks as quickly as possible, so they gradually can change themselves into state-owned commercial banks that bear their own risks and are responsible for their own profits and losses. We must bring into full play the role of standardized local financial organs. We must speed up the transformation of operational mechanisms in the Guangdong Development Bank, the Guangdong Provincial International Trust and Investment Company, the Guangdong Provincial Overseas Chinese Trust and Investment Company, the Guangdong Provincial Yuecai [4727 6299] Trust and Investment Company, and other financial organs, and must increase their competitiveness. We must systematically run city cooperative banks in key cities on a trial basis. Positive efforts must be made to persuade the state to authorize the setting up of the Guangdong Overseas Chinese Bank. We must strive to create the necessary conditions to attract more foreign banks and Chinese banks in Hong Kong and Macao to set up branches in our province in accordance with the law, and encourage our more competitive financial institutions to set up branches outside China. We must develop and put on a sound basis a provincial financial market in which bank financing will be the main activity, a market that is managed strictly and opened to the outside world in a unified way and in which there is fair competition. We must speed up the formation of the Guangdong Financial Center and establish a standardized and centralized financing center as quickly as possible in order to standardize interbank borrowing. We must continue with our efforts to run well the Securities Transaction Center and the Shenzhen Stock Exchange, and take prudent and proper steps to carry out foreign exchange futures transactions on a trial basis. We also must continue to explore other forms and means of financing in order to broaden the source of construction funds in our province.

At the same time, corresponding steps must be taken to reform the existing investment system and gradually establish a risk restraint mechanism for corporate investment and bank credits. We must reform the method of setting up projects, as well as the procedures for examination and approval, and establish a system of project registration. Competitive investment projects will have enterprises as basic investment entities and will be established and managed through fundraising on the market. While actively trying to secure state investment and financing in our infrastructural projects, it is also necessary to increase the responsibility of enterprises and local governments in investment and financing. Governments at all levels must concentrate on grasping the construction of major infrastructural facilities and basic industries that have a vital bearing on the local economy, make active efforts to win state support, and encourage and attract more local participation and investment in order to broaden the channels of investment and financing for these projects. Investment in public welfare projects should be made within the financial capability of the local governments concerned.

#### 4. Deepen reform of the foreign trade system

We must uphold the orientation of "unified policy, open management, fair competition, and sole responsibility for profits and losses," and must make use of the opportunity afforded by reform of the foreign exchange system to promote reform of the foreign trade system. We must handle properly the various tasks of convergence following the merging of exchange rates, actively explore effective means of maintaining rapid growth in foreign trade and exports when mandatory plans for foreign trade enterprises are abolished, strengthen the coordination and service mechanism of foreign trade management, further improve the system of export tax refund, gradually introduce public bidding or standardized distribution for import and export quotas and licensing administration, and further enlarge the foreign trade power granted to production and commercial enterprises and scientific and technological units where conditions are right. We must speed up the transformation of operational mechanisms in state-owned foreign trade enterprises. Foreign trade enterprises that satisfy the conditions may be reorganized into standardized limited-liability or limited-liability stock companies after approval. We must practice the method of diversification on the basis of one main trade, actively promote the system of import and export agents, and develop international enterprise groups. We must back up enterprises where conditions are right in forming conglomerate companies that combine trade with industry, agriculture and technology, and promote the development of large enterprise groups and foreign-invested enterprises into multinational companies that combine trade with industry, agriculture and technology.

#### 5. Increase the intensity of reform in the social security system

We must establish and improve centralized social insurance management organs to manage old-age pensions, industrial injuries, unemployment, and medical services in

the province. Relevant departments at all levels must provide energetic support and cooperation in order for new breakthroughs to be made. All cities must establish within their jurisdiction as soon as possible special organs for the unified management of social insurance. It is necessary to enlarge the coverage of social insurance, pay special attention to the improvement of old-age and unemployment insurance in enterprises, strengthen the function of social services, and reduce the burdens of enterprises. We must create the necessary conditions for extending old-age insurance to rural areas, and practice there a system in which family insurance will be combined with community support, with the former playing the main role. We must reform the existing free medical system and labor insurance medical system, and speed up the establishment and improvement of an unemployment, industrial-injury, and medical insurance system for the whole province. We must establish social insurance fund supervision organs to supervise the collection, expenditure, and management of social insurance funds, and must separate social insurance administration from social insurance operations. We also must energetically expedite the work of providing the legal framework for the social insurance system.

#### 6. Make a further success of reform in the urban housing system

In order to achieve a moderate level of prosperity in urban housing, it is necessary to speed up construction of civilian housing; put equal stress on sale, renting, and construction; coordinate policies; form a market; and accelerate the establishment of a new urban housing system. We must fix property prices rationally, quicken the pace of rent increases within the limits of rational housing expenses of worker families, and strive to raise rent levels to the equivalent of the sum of maintenance and management expenditure and depreciation by the year 1996. We must implement, in an overall way, a housing provident fund system and practice a variety of purchase payment methods. It is necessary to develop energetically housing that is both affordable and suitable, and to strive to improve a system to supply housing of a social insurance nature. Commercial real estate development companies should devote at least 20 percent of their construction projects to affordable and suitable housing. All local governments must speed up the construction of merchandise housing. In particular, they must step up the construction of cheap housing for those with housing difficulties and effectively improve people's living conditions. It is necessary to actively develop the real estate transaction market, while simultaneously paying attention to developing the property management, maintenance, and interior decoration markets. It is also necessary to quicken the pace of enterprise housing reform.

#### 7. Actively implement the reform of government organs

Governments at all levels must effectively change their functions, and accelerate the reform of government functions in accordance with the principle of separate government and enterprise functions and the principle of simpler, unified, and effective administration. We must change the

state of overlapping functions and the over-elaborate division of work in economic management departments, abolish or merge organs that perform overlapping or similar functions, and redefine the functions of different organs; drastically slash the number of non-permanent organs; energetically streamline internal organs and reduce staff numbers, and strictly adhere to the size or number of personnel stipulated; establish and improve a work system for organs and put administrative procedures on a sound footing. In institutional reform, it is necessary to make unified planning and careful organization, bring the higher and lower levels together, and implement measures gradually. On the basis of consolidating the achievements of previous institutional reforms, it is necessary to complete reform at the provincial level and reform in the 15 pilot cities and counties (districts) before launching the reform in all cities, counties (districts) and small towns, and strive to complete the reform of government organs at all levels as soon as possible. In conducting institutional reform and implementing the public service system, it is necessary to combine administrative streamlining and intensified training with the development of productive forces in order to improve the personnel structure and quality, while simultaneously turning superfluous personnel into a vital force for modernization.

Meanwhile, we must continue to deepen rural reform and reform of the planning, commodity circulation, pricing, scientific- technological, and education systems, and to accelerate growth of the market system and of structural readjustment. Governments at all levels must handle properly the relations between reform and development on the one hand and stability on the other, attach importance to key projects, pay attention to coordination, properly handle the interests of all quarters, and create a more relaxed macroeconomic environment for promoting reform.

#### **IV. Strengthen Socialist Culture and Ideology; Promote the Advance of All Social Undertakings**

The establishment of a socialist market economy structure and the quickening of the economic development pace not only provide more favorable conditions for the promotion of cultural and ideological progress, but make it imperative for cultural and ideological progress to provide the necessary ideological guarantees, spiritual stimulation, and intellectual support. Our objective for cultural and ideological progress is to improve in an all-round way the quality of man as modern and civilized people, foster a new generation of better-educated and self-disciplined people with high ideals and moral integrity, and mold a good image for the people of Guangdong; to create a spiritual environment where everyone has a positive attitude and strives to make progress, a working environment where there is unity and harmony, an investment environment where there is friendly cooperation, and a living environment that is clean and beautiful; to foster a healthy, civilized, hardworking, and law-abiding social atmosphere, and promote economic prosperity and all-round social progress. In accordance with this objective, it is necessary to bring about cultural and ideological progress

in practice. We must strengthen ideological education; arm the broad masses of cadres and the people with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; deeply unfold education on patriotism, collectivism, and socialism, education on modern Chinese history, and education on the fine traditions of the party; oppose money worship, extreme individualism, and decadent ways of life; and foster a correct outlook on life, a correct sense of values, and correct moral concepts. We must unfold activities to build civilized units, villages, and households in a more extensive and penetrating way throughout the province. We must continue to develop and improve venues and facilities for the masses to better themselves culturally and ideologically. We must further unfold education on public-mindedness and professional ethics; create a fine social atmosphere in which everyone pays attention to civility, public health and decorum, abides by discipline and law, takes pleasure in helping others, and is ready to take up the cudgels for a just cause; and give substance to the vibrant spirit of the Guangdong people in seeking progress.

Further strengthen theoretical research on social science, and use Marxism and Mao Zedong Thought to guide theoretical research on philosophy and social science. We must implement the principle of "integrating theory with practice" and concentrate our energy on studying major theoretical and practical issues in the establishment of the socialist market economy structure, and carry forward various reforms. We also must continue studying the trends of economic development worldwide, draw useful lessons in economic construction from other parts of the country and from other countries, study how to further establish a new superiority for the development of Guangdong, and promote the modernization of our province.

Actively develop and promote various cultural undertakings. We must uphold the principles of serving the people and socialism, and of "letting a hundred flowers blossom and a hundred schools of thought contend"; encourage the vast numbers of literary and art workers to actively plunge themselves into the great practice of reform, opening up and modernization, and to create outstanding works that are worthy of the times and satisfy the growing spiritual needs of the masses. We must continue to deepen the reform of the literary and art system and of art education, and to blaze new trails that are not only compatible with the socialist market economy structure, but can meet the requirements of socialist cultural and ideological progress, and are in keeping with the law of development of culture and art itself. We must effectively grasp the implementation of the "Beautiful Southern Guangdong Project" for the promotion of Guangdong culture. Factories and mines, rural areas, and government organs and establishments must actively unfold healthy, forward-looking, and diversified recreational activities to enrich the cultural life of the masses. While striving to bring about a prosperous culture, we must grasp management of the cultural market and make unremitting efforts to eliminate pornography in order to maintain a clean and pure social environment. We must raise funds by any and every means; further

strengthen the construction of basic cultural and art facilities; grasp the construction of libraries, museums, cultural halls (stations), archives, and television and broadcasting centers and relay stations; and strive to broaden their coverage. From this year on, fiscal authorities at various levels must increase their allocations to support the development of cultural undertakings. Journalism, publication, and radio and TV broadcasting must create a better media environment for the reform, opening up, and economic development of Guangdong. Further efforts must be made to do a better job in keeping historical accounts, archives and local gazetteers, and to strengthen the protection of relics.

Strive to do a good job in medical and health work. We must continue to make a success of public health reform, and must strengthen and improve the internal management of medical and health units. Fiscal departments at all levels must suitably increase allocations to medical and health services. Efforts must be made to expedite the implementation of the primary health care program and do a good job in developing county-level epidemic prevention and health care organs, as well as township hospitals. We must grasp conscientiously the cultivation and training of public health technical personnel, and actively conduct research on medical science in order to raise the quality and level of medical service. We must devote major efforts to invigorating Chinese medicine. We must continue to do a good job in the prevention and treatment of local, chronic and epidemic diseases, and improve sewage and toilet facilities in rural areas. We must strengthen health legislation and the supervision of relevant law enforcement, and effectively consolidate the pharmaceutical market. We also must continue to conduct the patriotic health movement in depth, and make a success of health inspection in all cities in the province in order to greet the Third National Urban Health Assessment and Appraisal.

Energetically develop sports activities. We must launch more extensive mass sports activities in urban and rural areas, and strive to join the front ranks of the nation in mass sports work. We must improve selection and training networks, properly run sports schools and part-time physical education classes, and step up the cultivation of reserve athletes. We must strengthen research in sports science, strive to raise the level of competitive sports, and establish a new superiority for Guangdong in the sports field. We must make an earnest effort to make a success of the Ninth Guangdong Provincial Games.

Vigorously grasp family planning. Our province is still at a birth peak this year, and control of population growth remains an arduous task. Governments at all levels must effectively strengthen leadership over birth control, with the number one man personally assuming overall charge. It is necessary to organize the two provincial birth control campaigns in May and September, properly grasp regular birth control work, and bring birth control work into the orbit of management according to the law. It is necessary to strictly prohibit couples from having many children, strictly control persons having a second child outside the plan, and raise the birth control rate. It is necessary to

strengthen family planning among the migrant population. Every effort should be made to keep the natural population growth rate under the level of 13.5 per thousand.

Conscientiously do a good job in work with nationalities and religious persons. We must uphold the principle of equality, solidarity, mutual assistance, and cooperation among different nationalities, and further implement the "PRC Law on Autonomy for Nationality Regions." We must assist nationality regions in making a success of infrastructural construction, energetically develop their economies, and strive to narrow the gap between minority nationality regions and other regions. We must implement conscientiously the party's policies concerning religion, respect the religious freedom of citizens, and protect normal religious activities and the legitimate rights of religious circles.

Further unfold national defense education and strengthen Army-people unity. With patriotic education as the core, we must make continuous efforts to enhance the defense awareness of the citizenry and strengthen the building of the militia and reserve forces. We must continue to do a good job of the "two supports," and create more model "two-support" cities (counties). Through the launching of activities to nominate "outstanding wives and mothers of servicemen," dynamic education on supporting the Army and giving preferential treatment to families of soldiers and martyrs should be unfolded in urban and rural areas this year. We must launch in a down-to-earth and sustained manner activities in which soldiers and civilians join hands to promote a civilized way of life, and must strengthen unity between the government and the Army, and between soldiers and the people. We must continue to take proper care of ex-servicemen and soldiers transferred to civilian work, as well as retired military cadres.

#### V. Strengthen the Socialist Legal System; Consolidate and Develop the Situation of Stability and Unity

Actively advance democratic politics. Governments at all levels must uphold the system of reporting their work to the people's congress and its standing committee, and must consciously accept the inspection and supervision of these bodies and earnestly implement their resolutions. It is necessary to further open up democratic channels, and bring into full play the role of the CPPCC and of democratic parties and nonparty personages in participating in and discussing government and political affairs. We must establish and improve the system of democratic participation in politics for trade unions, communist youth leagues, women's federations, and other organizations. We must earnestly handle motions and recommendations submitted by people's deputies, as well as proposals put forward by members of the CPPCC, humbly listen to the views and suggestions of all, strive to improve government work, cement closer ties with the masses, and advance socialist democratic politics.

Quicken the pace of legislation around the task of establishing a socialist market economy structure. We must take the initiative to support the people's congress and its

standing committee in speeding up the formulation of laws and regulations for standardizing market entities, maintaining market order, strengthening macrocontrol, improving social security, and promoting the opening up of the country to the outside world, and must earnestly do a good job in drafting and coordinating bills and laws that are within our terms of reference. We must formulate administrative rules and regulations for standardizing the government's work of macroeconomic control, and try as quickly as possible to establish and improve the legal system, which is necessary for the development of the socialist market economy structure. We must devote major efforts to making a success of supervision over law enforcement, and make unremitting efforts to raise the level of doing things in accordance with law and of conducting administration and management in accordance with law. We must continue to promote the "two-five" (0059 0063] popular legal education and enhance the legal concept of the whole nation. We must further strengthen reform through labor and labor education, and make a success of legal services at the grass-roots level.

Strive to maintain social stability. We must raise the awareness of the citizenry concerning national security, and must guard against infiltration and sabotage by hostile forces both at home and abroad. We must continue to wage struggles against, deal vigorous blows to and eliminate the "seven evils." Bearing in mind the new trends of criminal offenses under a market economy, we must increase the intensity of the crackdown on serious criminal offenses, and promptly wage struggles or conduct investigations with specific targets in mind. We must concentrate our energy on battling infiltration by outside secret societies, as well as criminal gangs of a secret society nature, criminals guilty of serious violence, pickpockets on public transport, road bandits, and other arch-criminals. We must uphold the principle of "putting equal stress on raids and prevention, and dealing with the cause as well as the effect, with the emphasis on the cause"; rely on the great masses of the people; continue to strengthen the comprehensive consolidation of public order; earnestly implement various public order responsibility systems; establish and improve mass prevention and mass control networks; launch joint defense for the maintenance of public order; enlarge the coverage of public order patrols; and strive to maintain social stability and the safety of people's lives and property. We must strengthen public order administration over the migrant population. We must pay close attention to various factors of instability, and take positive steps to prevent and handle emergencies. We must be adept at handling contradictions among the people, properly handle the distribution of interests, and guard against the intensification of contradictions. We must energetically strengthen management of the traffic and fire services, attach importance to safety inspection, and promptly eliminate hidden perils. We must continue to conduct in-depth antismuggling struggles and joint operations in coastal cities and counties, and solve a number of major cases. We must earnestly grasp the building of public security and judiciary forces; rectify the workstyle of the police, increasing their strength and improving their

political and vocational qualities; and make still greater contributions toward maintaining the stability of the motherland's "Southern Gate."

Fellow deputies, in order to fulfill these tasks, governments at all levels must energetically strengthen the building of honest government, and effectively improve their style of work. The building of honest government is a matter of prime importance in building closer ties between the government and the masses; ensuring social stability; and guaranteeing the smooth progress of reform, opening up, and economic construction. Government workers must bear in mind always that they are servants of the people, must wholeheartedly serve the people, and must wage resolute struggles against all corrupt phenomena. Leading cadres at all levels must take the lead in maintaining an honest and self-disciplined workstyle, resolutely investigate and deal with cases of major importance, and take effective measures to rectify unhealthy practices to which the masses strongly object.

It is necessary to further strengthen education on clean and honest administration, energetically publicize typical examples of honest officials, and deal severely with decadent and corrupt elements. It is necessary to establish a mechanism for fighting corruption and protecting honest officials, and to combine the reform measures and economic policies of government departments with measures to establish a system for fighting corruption and protecting honest officials. It is necessary to continue with reform of the examination and approval system in administrative organs with a view to achieving open administration under mass supervision. It is necessary to combine internal supervision with social supervision in government work in order to achieve a perfect and sound supervisory mechanism. We must carry forward the fine tradition of plain living and hard struggle, and must oppose extravagance and waste. Government workers must strive to raise their theoretical and policy levels, better their knowledge, and improve their work style. They must study earnestly Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and study the basic theories and knowledge of the socialist market economy. Responsible comrades of governments at all levels must gain a deeper understanding of the importance and necessity of investigation and studies during the new period, liberate themselves from dinner parties and red tapes, take the lead in conducting investigation and studies, go down to the grass-roots units and into the midst of the common people to study new conditions and solve new problems, overcome bureaucratism and formalism, and strengthen their service and work. It is necessary to increase the transparency of administration, gradually improve the system of democratic, scientific and efficient decisionmaking, and increase the efficiency of administration. It is necessary to do a good job in monitoring economic and social development; strengthen and improve macrocontrol; establish a system of supervision and inspection; strengthen the administrative functions of governments at all levels; ensure the unimpeded circulation of administrative

orders; and truly turn governments at all levels into clean, honest, and efficient people's governments that work hard for the people.

Deputies! The 14th CPC National Congress, which attracted worldwide attention, adopted for Guangdong the grand objective of basically realizing modernization by the year 2000, and the Third Plenary Session of the 14th CPC Central Committee further drew up for us the general blueprint for our socialist market economy structure. Our development objectives are grand, and our orientation of reform is clear-cut. In the year ahead, let us boldly blaze new trails, keep forging ahead, and advance bravely along the road of building socialism with Chinese characteristics.

**Governor Delivers Hebei Government Work Report**  
*SK2403125194 Shijiazhuang HEBEI RIBAO in Chinese*  
*5 Mar 94 pp 1-3*

[Hebei Provincial Government Work Report delivered by Governor Ye Liansong at second session of eighth Hebei Provincial People's Congress on 25 February]

[Text] Fellow Deputies:

On behalf of the Hebei Provincial Government, I now submit a report on the work of the government for you members of the provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] and other members attending this session as observers, to examine, approve, comment and make suggestions upon.

**1. Review of the Work in 1993**

In 1993, under the correct leadership of the party Central Committee, the State Council, and the provincial party committee, the provincial government led the people across the province to conscientiously implement Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the guidelines of the 14th party congress, acted in close connection with the general objective of building a economically strong province, seized the opportunity, deepened reform, expanded opening up, accelerated development, achieved gratifying achievements in economic construction, reform, opening up, and all social undertakings, and basically fulfilled all tasks defined by the first session of the eighth provincial people's congress.

We always persisted in taking economic construction as the central task, comprehensively organized people to implement the "outlines for invigorating Hebei's economy," and noticeably accelerated the pace in building an economically strong province. In 1993, the gross domestic products of the province were valued at 156 billion yuan, up 16.5 percent over the previous year—a year with the quickest rate of increase since reform and opening up. The financial revenue reached 14.39 billion yuan, up 44.4 percent, basically striking a balance between revenue and expenditure. Despite many years of natural disasters, there were fairly good harvests. The total output of grain during the year reached 23.802 million tonnes, up 8.9 percent

over the previous year, the best record in history; that of oil-bearing crops, 805,000 tonnes, up 21.4 percent; and that of meats, vegetables, and preserved and fresh fruits all increased by a fairly large margin. Affected by various factors, cotton suffered a fairly big decline in production, and the total output only reached 192 million tonnes, a decline of 37.1 percent from the previous year. Township enterprises developed quite rapidly, and their total output value reached 171 billion yuan, up 65.5 percent over the previous year; the amount of profits totalled 20.1 billion yuan, up 59.8 percent; and the amount of taxes handed over to the state reached 3.4 billion yuan, up 37.7 percent. In industrial production, we strived to overcome the "bottleneck" restrictions in funds, power, and transportation, succeeded in simultaneously increasing the rate and efficiency, and fulfilled the objective of "increasing industrial output value, the fixed asset value, and profits and taxes so as to move the province one place forward in the country." The annual industrial output value reached 260 billion yuan, up 29.4 percent over the previous year; and the added value of industry reached 75.4 billion yuan, up 23 percent. Of this, the output value of industrial units at and above the township level reached 162.51 billion yuan, up 17.8 percent; and that of large and medium-sized enterprises, 87.71 billion yuan, up 11.2 percent. The industrial economic efficiency was noticeably enhanced. The overall index of economic efficiency of industrial units at and above the township level across the province, exercising independent economic accounting, reached 94.9 percent, up 10.4 percentage point over the previous year. The "dragon-tiger plan," and the plan on grasping the "development in six aspects," were comprehensively implemented, and industry and product mix were further optimized. The development of tertiary industry was accelerated. The volume of goods transported by all means of transportation increased 4.3 percent; in post and telecommunications, the objective of installing an urban telephone with a capacity of 1 million lines was fulfilled ahead of schedule, and counties (cities) across the province entered the national telephone automation network. Urban and rural markets were brisk. The retail sales of social commodities across the province reached 57.7 billion yuan, up 16.1 percent over the previous year; the overall commodity retail price level rose 10.5 percent, lower than the national increase average by 2 percentage points. Overly rapid population growth was controlled. The whole province's natural population growth rate was 9.17 per thousand, under the 12.7 per thousand target for controlled growth. The living standards of urban and rural residents steadily improved. The per capita income for living expenses of the urban and rural residents across the province went up by 24.9 percent from the previous year, and the average per-capita income of peasants rose 17.8 percent, showing an increase of 8.2 percent and 2.9 percent respectively if the rise in prices was factored in. The production and living conditions in poverty-stricken areas improved. Last year, some 745,000 poor households received support, and the food and clothing issues of 415,000 households were resolved.

Firmly aiming at the general goal of establishing the socialist market economy system and focusing on enterprise reform, we promoted reform in various fields in a coordinated manner to continuously facilitate the liberation and development of productive forces. Under the leadership of the provincial party committee, we successfully completed the important reform of the administrative system to merge 12 cities and prefectures last year, thus by and large putting an end to the regional pattern in which cities and prefectures existed simultaneously and urban and rural areas were separated and providing favorable conditions for the development of the market economy. Enterprise reform was notably expedited. By thoroughly implementing the "enterprise law" and the "regulations," we paid close attention to ensure delegation of the 14 decision-making powers to enterprises, exerted great efforts to check wanton collection of fares, fines, and donations, organized 1,000 enterprises to appraise government departments, and promoted the change of government functions. The operating mechanism was notably transformed in 32 percent of Hebei's local budgetary industrial enterprises and 50 percent of its large and medium-sized state-owned commodity distribution enterprises, and the enterprises were greatly invigorated. Experiment with the shareholding system made new headway. Approval was given to 306 enterprises to try out the shareholding system, and the Huayao and Weiyuan shareholding companies were successfully organized to issue shares to the public. Establishment of the market system was accelerated. In particular, the markets for labor forces, technology, information, and other essential elements of productions developed by leaps and bounds. Establishment of the market intermediary organizations was intensified to effectively increase the market force in the national economy.

We continued to take opening to the outside world as the important measure for building an economically strong province and made a substantial step in opening to the outside world. The provincial government held two provincial foreign economic and trade activities outside the border, winning new progress in using foreign capital. A notable characteristic was the extension of use of foreign capital from ordinary processing projects to energy, transportation, and other basic industry and infrastructural projects, from ordinary small projects to large and medium-sized construction projects, and from imports of cash to renovation of old enterprises. Last year, Hebei used \$480 million in foreign funds, of which \$360 million was direct foreign investment, an increase of 68.6 and 100 percent, respectively, over the preceding year. Newly registered three types of foreign-funded enterprises totaled 1,879, an increase of 44.4 percent. Five hundred new foreign-funded enterprises of the three types were established to bring the total number to 1,007. Last year, the three types of foreign-funded enterprises created 6.7 billion yuan in output value, earned \$170 million through exports, and paid 210 million yuan in taxes, up 158, 137.2, and 160 percent, respectively, from the preceding year. Our annual volume of exports totaled \$1.99 billion, up 11.4 percent from the preceding year, of which the exports

through ordinary trade and the exports by the three types of foreign-funded enterprises totaled \$1.59 billion, up 12.9 percent. Substantial progress was made in opening to domestic areas, with 3,066 contracts for economic and technological cooperation signed and 2.25 billion yuan brought in, up 17.7 and 80 percent, respectively.

We conscientiously implemented the series of policy measures of the party Central Committee and the State Council for strengthening and improving macroeconomic regulation and control, thus bringing about a notable turn for the better in financial and economic order. Illegal inter-bank lending and collection of funds were checked, and people's savings deposits increased. Development zones and real estate business developed in a healthy manner thanks to efforts in examination and rectification. Funds for state and provincial key construction projects, for circulating funds of key enterprises, and for the purchase of farm and sideline products were guaranteed. By the end of last year, Hebei had recalled 1.73 billion yuan in illegal inter-bank lending and cleaned up 136 illegal monetary organizations. Savings deposits of monetary organizations throughout the province totaled 140.6 billion yuan, up 24.48 billion yuan from the amount registered at the beginning of the year, and their loans totaled 143.17 billion yuan, up 25.22 billion yuan, which effectively supported industrial and agricultural production and construction undertakings. As has been proven in practice, the central measures for strengthening and improving macroeconomic regulation and control were very necessary and correct.

We made unremitting efforts to reasonably increase input, accelerate the construction of key projects, and enhanced the reserve strength for national economic development. Last year, the investment in fixed assets of society was 54 billion yuan, an increase of 60.8 percent over the previous year. Of this, the investment of state-owned units was 31.03 billion yuan, an increase of 54.8 percent. Of the investment of state-owned units, the investment in local capital construction was 11.35 billion yuan and that in technological transformation was 7.51 billion yuan, respectively increasing by 83.1 percent and 36.6 percent. The construction of key projects was accelerated. As of the end of last year, the province invested 9.7 billion yuan in 149 continued projects and new projects and 41 projects were completed and went into operation. Thus, the reserve strength for economic development was enhanced.

We made efforts to promote the combination of science and technology and education with the economy and further brought into play the functions of science and technology and education for promoting economic development. Positive achievements were made in launching the campaign of scientific and technological progress. The province gained 1,082 scientific and technological findings at or above the provincial and departmental levels. Some of these findings attained the international and domestic advanced levels. Two hundred and seventy-nine new high-technology enterprises and 472 new high-technology products were approved and acknowledged. Education steadily

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developed. Twenty counties in the province basically popularized nine-year compulsory education. Sixty county-level vocational education centers were basically built. Higher education developed in the course of reform. Institutions of higher learning paid attention to readjusting the specialized subjects, optimized the specialized structure, added and readjusted 47 specialized courses, and increased the proportion of specialized courses directly serving economic construction.

We constantly put the spiritual civilization and the setup of democracy and legal system in an important position and comprehensively promoted social progress. Cultural undertakings became more prosperous. We successfully sponsored the fourth China Wuqiao international acrobatic art festival, introduced a number of fine works of art, and won 93 awards at national and international art contests. The urban and rural areas further strengthened the health work and made new improvements in medical quality. The provincial delegation made good results at the seventh national sports meet, where the provincial teams ranked the province 10th. New headway was made in press, publication, radio, film, and television, environmental protection, foreign affairs, tourist, overseas affairs, nationalities affairs, religion, cultural relics, archives, and local chronicles. The governments at various levels consciously accepted legal supervision and work supervision by the people's congresses and democratic supervision by the CPPCC organizations; made efforts to improve the quality of handling deputies' suggestions, criticisms, and opinions and CPPCC members' motions; and handled, within the legal time limit, 1,260 suggestions and motions as set forth at the first session of the eighth provincial people's congress and the first session of the seventh provincial CPPCC committee and submitted by the National Peoples' Congress and the National CPPCC Committee. Last year, the provincial government drafted, revised, and formulated 51 local rules and administrative regulations and ensured the timely promulgation of a group of legislative items needed by reform, opening up, and the development of the socialist market economy. We strengthened the improvement of administrative honesty and made achievements in opposing corruption. The government organizations across the province launched various kinds of special inspections; conscientiously straightened out the unhealthy trends of wantonly collecting funds, wantonly apportioning expenses, and wantonly asking for charges; corrected the unhealthy trends within trades; and investigated and handled major and appalling cases. As of the end of last year, the procuratorial organs across the province filed 2,840 cases of cadres violating disciplines and revised and canceled 294 items of collecting charges and imposing fines as defined by the provincial organs themselves. Thus, social order was further strengthened. A total of 47,451 criminal cases were cracked, including 13,612 major cases. This effectively attacked the arrogance of the criminal offenders and safeguarded social order. New achievements were made in supporting the Army and giving preferential treatment to families of revolutionary martyrs and servicemen and supporting the government and cherishing the people. Five

cities in the province were named as state-level model cities advanced in the double-support work; and 35 counties (cities) were named provincial-level model cities (counties). There were 6,500 Army-civilian joint civility centers. All this helped promote the improvement of the spiritual and material civilizations.

**Fellow deputies:** The first year in the tenure of the present provincial people's government is 1993. Various achievements scored by the province in reform, opening up, economic construction, and socialist undertakings in the year are the outcomes made by the broad masses of cadres and people on various fronts across the province in being keen on making progress, in engaging in labor work industriously, and in uniting as one in waging struggle under the correct leadership of the CPC Central Committee, the State Council, and the provincial party committee. Hereby, on behalf of the provincial people's government I would like to extend lofty respect and heartfelt thanks to the broad masses of workers, peasants, cadres, and intellectuals throughout the province; to the broad masses of officers and soldiers of the People's Liberation Army [PLA] units stationed in the province and of cadres and policemen of the provincial armed police forces; to various democratic parties and nonparty personages; to the compatriots of Hong Kong, Macao, and Taiwan, as well as overseas Chinese, who have made contributions to the province's development; and to both domestic and foreign friends who have supported the province's construction and development in various undertakings.

While fully acknowledging the achievements, we have clearly seen that the province still has some shortcomings and problems in accelerating its economic development and building itself into a strong economic province. As compared with the advanced and coastal provinces the province has greatly lagged behind, though it has accelerated its economic development. The structural contradiction of the economy is prominent. As compared with the secondary industry, the development of primary and tertiary industries is relatively backward. The economic results of a large number of enterprises are poor. The rate of industrial products in markets is low. The proportion of nonstate-run enterprises is smaller. The restriction imposed by the "bottleneck" is still more serious. The situation in funds, power, and transportation is strained. The shortage of raw materials, including cotton, is larger. The dynamics added to opening up is not enough and the pace in development is not fast. The integration between science, technology, and the economy is not close enough. The rate of turning the scientific and technological results into productive forces is low. The public security of some localities is not satisfactory and the people lack a sense of security. A small number of employees in the people's governments are committing the problems of corruption, formalism, and bureaucracy, which are adversely affecting the close relationship between the masses and the government. As for these problems, we should adopt realistic effective measures to handle them earnestly.

## 2. The Guiding Ideology and Fighting Targets of 1994 Work

This year the province will continuously maintain a fine trend of development based on achieving rapid economic development over the past two years, and will be an important year in which the province will push forward the overall reform in the economic systems and will accelerate the establishment of socialist market economic systems, and a crucial year in which the province will successfully fulfill the "Eighth Five-Year Plan" and strive to prefulfill the target of quadrupling the gross national product. The guiding ideology of the government work this year is as follows: By regarding as a guide Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, we should earnestly implement the spirit of the 14th CPC Congress and the spirit of the Third Plenary Session of the 14th CPC Central Committee; as well as unite as one, overcome the difficulties, and accelerate the establishment of socialist market economic systems according to the principle of seizing the opportunity, deepening the reform, broadening the opening up, promoting the development, maintaining the stability, and building Hebei into a strong economic province. Efforts should be made to open more markets; to readjust the structure; to increase economic results; to have the province's national economy achieve sustained, rapid, and sound development; to safeguard the political stability and social peace; and to promote overall progress in the society.

In line with the above mentioned guiding ideology, major targets set for economic and social development in the province this year are as follows:

The gross national product should show an over 11 percent increase over 1993. Of this increase, that of added value in primary industry will be 4 percent; that in secondary industry, over 14 percent; and that in tertiary industry, over 14 percent.

The investments made in the fixed assets of society as a whole will be 61 billion yuan and show a 13 percent increase over 1993. Of these investments, those made by the state-owned units will be 34.9 billion yuan and show a 12.5 percent increase over 1993 and the rate of investments will reach 32 percent.

Calculated in terms of the new tax assignment system and financial system, the local financial revenues should reach 8.03 billion yuan, up 7.9 percent. All sorts of savings deposits of banks should be 17 billion yuan, up 17 percent, and all kinds of loans should increase by 22 billion yuan, up 20.9 percent.

The actual use of foreign capital should reach \$600 million, up 25 percent; the total volume of foreign export trade should be \$2.16 billion yuan, up 8.5 percent; the export of ordinary trade and the three types of foreign-funded enterprises should be \$1.83 billion yuan, up 15 percent.

The total retail sales of commodities should increase 16 percent, and efforts should be made to control the rise in the retail prices of commodities within 10 percent.

The average per capita income for living expenses of urban residents across the province should reach 2,600 yuan, up 18.6 percent; the net income of peasants should reach 900 yuan, up 12 percent.

We must guarantee that the natural population growth rate will not exceed 12 per thousand, and strive to control it within 10.85 per thousand.

The aforementioned objective is proposed after analyzing the conditions in various sectors in the province and through repeated estimates and calculations and meets the demand of the "outline for invigorating Hebei's economy," and is forward-looking and feasible, allowing a certain flexibility. During our practical work, we should strive to fulfill it in a better manner in line with the objective of building an economically strong province.

There are many favorable conditions for doing this year's work well. This year the state will issue more reform measures and make the biggest strides in reform. This will accelerate the process of marketization of economic development, gradually improve the relations in various economic sectors, further improve macroeconomic environment, and instill new vitality into national economic development. With our unceasing efforts to consolidate and improve macroeconomic regulation and control, the economic order will be better. Over the past few years, Hebei Province has successively maintained a rational increase in the investment in fixed assets, completed and commissioned a number of new projects, formed a new production capacity, unceasingly strengthened its economic development momentum, and laid a certain material foundation for realizing a sustained and rapid economic development. The international and domestic environments are very favorable for us to continuously expand opening up. The issuance of the central policy decision on the development strategy of opening up areas around Bohai Bay has enhanced Hebei's attraction of foreign investments. Particularly, the further ideological emancipation of the broad masses of cadres across the province has formed a strong joint force for implementing the "outline," developing the economy, and building an economically strong province. Actually, we have faced a hard-earned good opportunity for reform, opening up, and economic development. Meanwhile, we should also recognize that there are still many contradictions and difficulties on our road of advancement. Along with the deepening of reform and the readjustments involving the interests of various sectors, some new situations and new problems will also emerge. There are also some destabilizing factors in society. During the current economic development, the "bottleneck" restrictions, such as funds, energy, communications, and transportation, have remained prominent. Along with the price readjustment of energy, raw materials, and communications, the production cost has

increased, and the difficulty in enhancing economic efficiency has aggravated. As a major textile industrial province, Hebei has faced the difficult problem in cotton production and supply. We must not lower our guard in these contradictions and difficulties, and must pay full attention to them. Judging from the general situation, we have more favorable factors than unfavorable ones, if we compare the former with the latter. As long as we persist in viewing the overall situation in line with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line; further emancipate the mind under the leadership of the party Central Committee, the State Council, and the provincial party committee; unceasingly renew concepts; always persist in taking economic construction as the central task; unite as one; enhance spirit; advance despite difficulties; work in a down-to-earth manner; and unswervingly act in line with the objective defined in the "outline," we will surely resolve and overcome all sorts of contradictions and difficulties on our road of advancement, and unceasingly push Hebei's reform, opening up, economic construction, and all undertakings forward.

### **3. Accelerate Reform in the Province as a Whole by Upholding the Integration Between Pushing Forward Reform in an Overall Way and Making a Breakthrough in Key Fields**

The "decision on the several issues of establishing the systems of socialist market economy," which has been adopted at the Third Plenary Session of the 14 CPC Central Committee, has defined the basic frame of the socialist market economy; drawn up an overall blueprint; and pointed out the direction and tasks for the country to conduct reform in the economy in the coming period. In line with the central arrangements, we should deepen the reform and make a reform breakthrough in multiple fields this year. We should actively deepen the reform in rural areas by emphasizing the tasks of shifting the mechanism; establishing the modern enterprise systems; accelerating the reform in the managerial systems of finance and tax, banking, planning, investments, fund raising, foreign trade, and commodity prices; and the task of making concerted efforts to push forward the reform in the systems of socialist market economy and public security. In line with the state overall arrangements, we must concentrate our efforts on earnestly doing a good job in grasping the reform and ensuring the fulfillment of various tasks in reform.

We should accelerate the shifting of business mechanisms of the state-owned enterprises and actively probe an effective way to establish modern enterprise systems. This represents a basic demand for establishing the systems of socialist market economy, a central link of the reform in the economic systems as a whole, and also an emphasis or difficult point of reform. In line with the tasks of boosting the large- and medium-sized enterprises and reinforcing the dynamics of reform, we should be greatly determined this year to achieve new and practical progress in the following several links: First, efforts should be made to

continuously implement the "enterprise law" and "regulations" and to delegate to the letter various rights and duties to enterprises. Second, efforts should be made to continuously perfect various business styles that have been proved effective and to urge enterprises to shift their business mechanisms. We should strive to have 50 percent of the state-owned enterprises shift their operation mechanisms this year. We should continue to deepen the reform in the systems of labor and personnel affairs and distributions, to prefect the internal systems of enterprises, and to reinforce the vigor of enterprises. Third, a good job should be done in carefully grasping the pilot work of establishing modern enterprise systems. Except for successfully organizing the units assigned by the state for the pilot work, the province as a whole should assign 100 enterprises to take up the pilot work in this regard to enable the enterprises that have taken up the pilot work to truly become modern ones with clear property rights, clear division between right and duties, separation between political work and enterprise management, and scientific management. We should also enable these enterprises to play a leading or model role in encouraging the state-owned enterprises to shift their operation mechanism. Fourth, efforts should be made to actively push forward the reform in the property right systems by emphasizing reform of shareholding systems. As for the large- and medium-sized enterprises that have scored good economic results and have been strong in the competitive capability, as well as the core enterprises of enterprise groups, we should reform them in line with their different conditions into limited liability companies or limited liability stock companies with the participation of corporate shares. Some of them may be reformed into companies with the only share of state funds. We should take up the pilot work of reforming or reorganizing 200 enterprises into shareholding ones this year and strive to reform 300. As for a number of small state-owned enterprises and money-losing medium-sized enterprises, we should vigorously enforce among them various property managerial styles, such as the state ownership and management by individuals, the public ownership and management by individuals, the lease of enterprises, the entrustment of business, and sale or the transfer of business or production. As for some enterprises that cannot pay their debts and those that have no hope to switch their losses to profits, we should have them become bankrupt in line with the provisions of the "bankrupt law". In conducting reform in the property right systems, we should establish or improve the mechanism of property right supervision to ensure the value reserve and increase of the state assets.

We should actively push forward the reform in the systems of finance and tax, banking, planning, investments, fund raising, and commodity prices and establish or improve the province's system of conducting macro readjustment and control. In conducting reform in the financial and tax systems, the state has enforced the financial system of assigning taxes to provinces beginning 1 January this year. The province will also enforce the financial managerial system of assigning taxes to cities and prefectures. The general guiding ideology and principles in this regard are as follows: We should accurately make distributions between

the province and the cities and prefectures. We should not only consider the vested financial resources of all localities and mobilize the enthusiasm of the governments at various levels for developing the economy, increasing revenues, and reducing expenses, but also ensure the stable increase in the provincial-level financial resources and safeguard the provincial level's necessary regulation and control abilities. We should reasonably define the affairs rights of the province and the cities and prefectures. In line with the principle of linking affairs rights with financial rights, the affairs that are related to the province as a whole and should concentratively be managed by the province should be managed by provincial-level finance. As for the affairs that are suitable for the management of cities and prefectures, the affairs rights and the financial rights should relevantly be delegated to cities and prefectures. In line with the principle of management by various levels according to unified policies, we should balance the financial distributions between the province and the cities and prefectures. On the basis of basically maintaining the distribution patterns as defined in the current financial system, we should separate central and local taxation systems. We should strictly enforce financial and economic disciplines and ensure the smooth progress of this reform. Simultaneously, we should also conscientiously separate the state tax bureau from the local tax bureaus and make good connections of their work. In the course of replacing the old systems by the new, we should exert great efforts to attend to the tax collection and management work and the work of handing over taxes to the finance to ensure the fulfillment of tax collection and revenue tasks. In the principle of tightly arranging expenditures, we should harden the restrictions of the budget. No financial departments at various levels are allowed to have deficit arrangements. It is necessary to reform the monetary system. According to the state-fixed orientation, targets, tasks for reforming the monetary system and the general principles governing the monetary work, we should continue to consolidate the monetary order, steadily promote the monetary reform, strictly control the aggregate of credits, and realistically strengthen the monetary supervision and management. To suit the demands of setting up the monetary organizational system and the monetary market system, we should strive to gain the state approvals to set up various categories of monetary organizations and positively develop nonbanking monetary organizations, such as capital circulation leasing companies, credit investment companies, and financial affairs companies. To suit the demands that specialized banks should engage in the management of the proportions of assets and liabilities, we should vigorously organize savings deposits, stabilize the sources of funds for credits, and positively support the province's reasonably financial needs for economic construction. To suit the new situation of separating commercial banks from policy-lending banks, we should strengthen enterprise management, increase returns on use of capital, enhance enterprises' capability for returning loans, and enjoy the support of the commercial banks. We should strengthen the pre-phase preparatory work for the projects that should be supported out of the policy consideration, make increasingly more projects be listed in the

state plan, and strive to gain the support of the policy-lending banks. It is necessary to reform the planning system. To suit the demands for the development of the socialist market economic system, we should gradually set up a new-type guidance planning system and better bring into play planning functions for regulation and control, balance, guiding orientation, and service. It is necessary to reform the investment and capital circulation systems. According to the state requirements for dividing the categories of basic investment projects, competition investment projects, and public welfare investment projects, some basic projects should be covered in the state capital arrangement plan and supported by the state development plans, enterprises should actively keep connections with banks and gain the support of the financial departments to develop the competition projects, the financial departments at various levels across the province should make investment in public welfare projects, and simultaneously, we should positively strive to gain the support of the state to develop the projects of this category. It is necessary to reform the price system. The state decided to rise the prices of such basic products as crude oil, electricity, and cotton. We should adopt effective measures to ensure the smooth progress of the reform in these aspects and to strictly prevent arbitrary price hikes. In regard to the price changes that are related to the benefits of each and every household, we should judge the hour and size up the situation, take into full consideration the bearing capability of the masses, and carefully work out measures for price reform. As for the key commodities that have a bearing on the people's livelihood, we should set up a reserve system and a risk fund system, perfect a mechanism for regulating the circulation of commodities, and control market prices. It is necessary to strengthen the management of market prices and maintain the stability of market prices. We should resolutely deal blows to the activities of manufacturing and marketing fake and poor quality products to safeguard the interests of consumers. Simultaneously, we should also grasp the media orientation and accurately guide consumption.

Fellow deputies! The general task of this year's work is to seize the opportunity, deepen reform, expand opening up, promote development, and maintain stability. All fields and all items of work should submit and gear themselves to this general task and conscientiously handle the relations among reform, development, and stability. Reform and opening up are the motivation to promote development, development is the foundation of social stability, and stability is the essential condition for reform and development. In the process of firmly and unswervingly promoting reform and establishing the socialist market economic structure, we must decide on the various steps of reform and judge their success or failure by adhering to the criterion of whether they help promote economic development. We must attach high importance on and appropriately resolve all sorts of contradictions and problems emerging in reform. We must positively and appropriately readjust the relations between the interests of all sectors and the pattern of interest. We must strengthen the research of public opinions and the feelings of the masses

and master in a timely manner the changes in the people's concept of value, spiritual mood, and spiritual state. We must do a good job to reduce social upheavals and strengthen the monitoring of, the analysis of, and the pre-warning of economic trends to ensure the smooth progress of reform and development. Governments at all levels must firmly embrace the sense of the whole, consciously safeguard the unity, seriousness, and effectiveness of policies and decrees issued by the CPC Central Committee and the State Council. Leaders at all levels should concentrate even more energies on reform, and, for some major reform measures, experiments should be made first before they are popularized. Experiments should be bold and popularization should be prudent. We should not only make overall arrangements and give meticulous guidance to ensure that the reform will proceed in a coordinated manner, but also seize the opportunity of reform and have a good command of key links to make breakthroughs in major areas in order to constantly deepen the package reform and ensure the success in all reform measures.

#### **4. Strive To Promote Sustained, Rapid, and Sound Development of the Provincial Economy**

Closely around the general goal of optimizing structure, improving efficiency, promoting development, and building an economically strong province, the 1994 economic work should be focused on the work in the following six aspects:

##### **A. We should actually attend to agricultural and rural work, with emphasis on making the people well-off.**

Agriculture, rural areas, and peasants are the fundamental issues of China's economic development and modernization. This year, agricultural and rural work should be aimed at continuously implementing the guidelines of the central and the provincial rural work conferences, stabilizing the party's basic policies toward rural areas, deepening the rural reform, making positive explorations for resolving the conspicuous contradictions and problems cropping up in the development of rural economy, and further strengthening the position of agriculture as the foundation of the national economy. We should focus all the work on building better-off villages, townships, and counties to promote the all-around development of the rural economy and increase peasants' income.

Under the prerequisite of ensuring the steady increase of output of major agricultural products, we should optimize the agricultural structure under the guidance of markets. Grain production should be continuously aimed at increasing the per unit output. The annual total grain output should range from 23 million tonnes to 23.5 million tonnes. Cotton production has already dropped to the bottom, and hence efforts should be made to pick it up. To this end, we should increase cotton growing acreage on a large scale, increase its per unit yield, resolutely implement the 10 measures of the

provincial government on promoting this year's cotton production, and actually pay attention to cotton production in line with the tasks and goals defined by the cotton production responsibility letters. We should further increase the investment in agriculture, build well the grain and cotton base counties that are decided by the state, and give full play to these bases key role in increasing output.

We should strengthen the popularization of agricultural science and technology and actively popularize and apply agricultural technology to increase production. It is necessary to unremittingly carry out farmland capital construction, do a good job in building projects on "saving water, drilling wells, storing water, and diverting water to Hebei," increase the water irrigated areas by 2.27 million mu, and improve 4.17 million mu of water-saving irrigated areas. We should make real efforts to conduct agricultural comprehensive development projects and to strive to raise the ability to combat natural disasters. On the premise of guaranteeing the stable increase in such basic agricultural products as grain and cotton, we should actively readjust the structure of agriculture and the rural economy, accelerate the change of agriculture into "high-yield, fine quality, and highly efficient farming," and accelerate the seven-character project on "water conservation, vegetables, afforestation, crop cultivation, cattle raising, fishery, and production of leading products," and the "double thousand project" in grain fields. Continued efforts should be made to build the rural socialized service system and guide peasants into the market. In line with the demand of industrialization, and on the basis of developing leading industries and key products, we should establish a production management system of integrating crop cultivation with breeding industry and processing industry, marketing with production and supply, domestic trade with foreign trade, and agriculture with industry and commerce, and enable staple agricultural and sideline products enter the market or be converted to increase value.

We should actively develop township enterprises. Township enterprises are the main pillars of the rural economy. We should uphold the principle of adopting various ownership forms and systems; accelerating development; and making improvements steadily, making the annual development rate of township enterprises across the province reach or surpass the national average; simultaneously increasing profits, tax delivery, and the development rate; and relatively transferring the agricultural surplus labor forces. We should continue to implement the strategy on developing township enterprises around "Bohai Bay, Beijing and Tianjin Municipalities, railways," make breakthroughs in key areas, and carry out this work orderly. Counties, (cities, districts) along "Bohai Bay, Beijing and Tianjin, and railways," in particular, should achieve a higher development rate and economic efficiency than the provincial average.

We should select a number of enterprises, include them in plans at all levels, support them on a priority basis, and establish a batch of key township enterprises and enterprise groups of a large scale, high level, and good efficiency that are export oriented. Under the new situation in which reform of state-owned enterprises is being unceasingly deepened and foreign-funded enterprises are being rapidly developed, we should accelerate the change of township enterprise operational mechanisms, actively popularize the shareholding cooperative system, and enhance the competitive capacity of township enterprises. It is necessary to accelerate the building of small industrial areas and small towns, establish the incentive mechanism for county, township, and village cadres, link the development of township enterprises with the achievements of cadres, and give strict evaluation, awards, and punishment.

We should continue to reduce the burdens of peasants and deeply conduct the work on supporting and developing the poor areas. Reducing the burdens of peasants is a policy measure for protecting the production enthusiasm of peasants and an effective way for increasing the income of peasants. We should continue to implement a series of policy stipulations of the state and Hebei Province on reducing the burdens of peasants and further resolve the problem of the rural areas on the unwarranted pooling of funds, arbitrary requisition of donations and exaction of fees. Based on investigation and study, we should further formulate and improve policies and measures for supporting the development of less-developed areas and adopt essential special policies to accelerate economic development in these areas. This year, the province as a whole should resolve the food and clothing problems of 300,000 poverty-stricken households. Persistent efforts should be made to develop and help the poor areas, and strive to realize the goal that every person will basically have an average of one or half a mu of field which gives stable and high yields irrespective of drought or water-logging within a short period of time. On this basis, we should develop township enterprises and regional pillar industries in line with local conditions, develop industries in other localities, export labor service, and strive to raise the average per capita income of the people. Beginning this year, we should resolve the problems of 2,000 villages with exceptional difficulties by groups, organize some large- and medium-sized enterprises in the province, some cities under the jurisdiction of the provincial government and provincial-level departments, colleges and universities, and scientific research units to help these villages, formulate development plans, and give support to the counterparts. We should increase the input of funds, materials, science, and technology in these poor areas and help them train personnel. Through unremitting efforts, we may greatly improve the outlook of the poor areas in our province.

We should solidly attend to the rural family planning work. Our province's family planning task is extremely arduous. The rural areas should put the focus of the family planning work on the grass roots, the basic work, the implementation of the rules, the workers contingents, and the solid work. It is necessary to strengthen the management of family planning according to laws and resolutely eliminate the serious phenomena that some counties, townships, and villages are weak in their basic family planning work and poor in management, employ trickery, and give birth to two or more children. According to the requirements that party and government top leaders personally engage in and assume sole responsibility for the management of family planning and the principal leaders realistically grasp the management of family planning, we should conscientiously implement the system of responsibility for management of population quotas and strictly implement the system that all achievements will be negated if family planning is not successfully grasped. Leaders of the counties (cities) where family planning work is backward and many problems exist should have a stronger sense of responsibility to attend to this work and strive to immediately change the passive situation.

**B** We should optimize the industrial structure and deeply launch the activities of "three increases, one decrease, and one improvement."

This year, we should optimize the industrial product mix according to the market demands, increase economic results, and continue to maintain a faster industrial growth rate. The industrial front should extensively and deeply launch the activities of "three increases, one decrease, and one improvement" with the main contents of increasing production, decreasing deficits, and improving efficiency. That is, the increase in the industrial added value should range from 14 to 17 percent. Of this, the added value of the independent accounting industrial enterprises at or above the township level should increase from 12 to 15 percent, the profits and taxes realized by these enterprises should increase by 10 percent, the investment in technological transformation of state-owned units should increase by 13.4 percent, the amounts of deficits suffered by large and medium-sized industrial enterprises should be reduced by 15 percent, and the overall index of the economic results realized by the independent accounting industrial enterprises at or above the township level should increase by 1 percentage point and strive to increase by 2 percentage point.

The key to persisting in the state industrial policies, taking markets as a guidance, and making great efforts to readjust the structure is to grasp the readjustment of the product mix. The general requirements are as follows: The heavy industry should bring into play its role as the basic industry, continue to solve the problems relating to the "highly efficient heavy industry," and strengthen the reserve strength for the province's

economic development. The light industry should continue to implement the famous-brand strategy and persistently make readjustments according to the orientation of "high" (new high-technology), "quality" (good quality and famous brands), "large" (efficiency of scale), and "outside" (foreign markets). In line with the targets for readjusting the product mix, we should accelerate the technological transformation of enterprises. From this year, we should concentrate in four years to technologically transform, in a well-planned manner, in groups, and by stages, all of our province's budgetary industrial enterprises. In particular, we should popularize the experience gained by "Xuancai" and positively use foreign capital to conduct graft transformation among old enterprises. This is a key way for changing the enterprise mechanism, accelerating the structural readjustment, promoting enterprises to stand among the international market, and making up for the deficiency in construction funds. This year, the large- and medium-sized enterprises and budgetary industrial enterprises plan to invite foreign businessmen to develop 1,000 items in the province and strive to sign 300 contracts. We should comprehensively carry out the "dragon and tiger plan." This year, 76 continued and new projects covered in the "dragon and tiger plan" should be developed. By the end of this year, we should ensure the completion and operation of 40 projects. In line with the requirements for developing new products and upgrading old products, we should manufacture and develop a group of new high-technology products, have pillar industries to increase the production of the products with advantages, increase a group of products that can create and save foreign exchange, have burgeoning industries manufacture a number of products, eliminate a group of old products, and upgrade a group of new products so as to elevate the province's overall industrial quality to a new height.

We should grasp the demands of markets and broaden the occupation of products in markets. The prominent problem of industrial production this year is one relating to markets. We should organize a large number of specialists into several groups to carry out investigation, study, and calculation on markets in line with the difference of various industries and trades and to put forward in a timely manner the intermediate- and long-term policies to upgrade the capability of coping with the future changes of markets. The forefront work of enterprises should be placed on markets and all enterprises should grasp the work of opening more markets by regarding it as an important task. They should foster a business mechanism with the rapid feedback of markets, flexible reaction, and the strong capability of meeting the change. They should also be able to grasp sales to promote production, to increase sales to expand production, and to fix production in line with sales. Efforts should be made to ensure the sale rate of industrial products turned out by enterprises at or above the township level across the province to reach 97 percent this year.

We should deeply launch the drive of learning from the wealthy and influential enterprises and from the Handan Iron and Steel Company, grasp the projects conforming with strong business trends, create products with competitive capability, contend for turning out first-grade products, and strictly conduct management and run plants. In line with the demand of the market economy, we should vigorously enhance the operation and management of enterprises; boldly learn or draw from the advanced managerial experience gained by foreign countries; and improve the enterprise regulations and rules. We should also reinforce the labor discipline, enhance the accounting of cost, vigorously grasp the training of staff members and workers, and upgrade the technological standards so as to promote enterprises to improve their economic targets of products' quality, material consumption, economic results, and safe production, to a new level. Efforts should be made to grasp the work of encouraging enterprises to switch their losses to profits, to emphatically conduct the work of encouraging the profit-making enterprises whose profits are over 1,000 yuan to further increase their profits and the large- and medium-sized enterprises to handle their operational losses. As for money-losing enterprises and those that have suffered production suspension or semi-suspension, we should carry out study on the plants one by one and put forward the measures of switching losses to profits in line with the local conditions to reduce the number of enterprises that have suffered production suspension or semi-suspension as much as possible.

#### C. We should vigorously develop tertiary industrial enterprise by emphasizing the fostering of market systems.

The development of tertiary industrial enterprises represents an important yardstick in measuring the extent of developing a modern socialist economy, an important condition for promoting the development of primary and secondary industries, and an important resource for increasing local financial revenues. We must emphasize in economic development the task of accelerating the development of tertiary industrial enterprises and concentrate our efforts on grasping the development vigorously and successfully. We should earnestly organize the enforcement of "Hebei Province's 1991-2000 outline on developing the tertiary industry." We should also encourage the state-owned, collectively owned, individually owned, privately owned, and foreign-funded enterprises, as well as various industries and trades, to make concerted efforts in the development according to the principles of formulating rational plans, defining the emphasis, actively giving guidance, and accelerating the development, so as to gradually upgrade the proportion of tertiary industry in the national economy.

We should regard market establishment as an emphasis or a breakthrough in developing the tertiary industry. In line with the basic idea of "establishing large markets, developing large-scale trade, and enlivening the

large-scale circulation," we should further develop the markets of means of production and consumer goods and uphold the principle of paying simultaneous attention to both market development and improvement. We should also consolidate, develop, improve, and upgrade the existing markets of various commodities. Efforts should be made to continuously accelerate the fostering and establishing of large specialized and wholesale markets and comprehensive wholesale markets. We should put our work emphasis on building the 20 large shopping centers of various categories, accelerate the fostering and development of markets of various essential factors of production, and vigorously develop the intermediary organizations of markets. We should take a larger step this year in establishing the markets of finance, labor forces, talented personnel, technologies, information, and property right business. We should establish or develop as soon as possible a large number of social intermediary organizations, such as an accounting office, attorney office, and auditing office; as well as the self-discipline organizations of markets, such as industrial and economic federation, chamber of commerce, associations of various industries and trades, so as to promote the rational circulation of essential factors of production and the fair competition of markets.

Great efforts should be made to develop social insurance, environmental protection, and real estate that are oriented to guarantee and improve the lives of the people. Emphasis of this endeavor should be placed on unemployment insurance and retirement insurance. Positive efforts should be made to develop real estate trade, with focus on building residences. Attention should be paid to the pre-phase preparatory work for building 6 million square meters of residences for urban workers. We should positively develop environmental protection undertakings to resolve such problems, which exist in some urban and rural localities of the province, as environmental pollution, traffic jams, confused order, dirty surroundings, and poor service so as to constantly improve the living environment and living standards of the people. Tourism should develop with great efforts. This year, the foreign exchange revenue from tourism is projected at \$14 million.

D. Investment in fixed assets should increase on a rational scale, and construction of key projects should be accelerated.

After endeavoring for several years, a number of large- and medium-sized capital construction and technological transformation projects of the province have been approved and decided by the state and construction of these projects will be started one by one. Within the tenure of office of the current government, efforts should be made to build or to complete the construction of the Beijing-Shijiazhuang (double width), Shijiazhuang-Taiyuan, and Shian highways. At the same time, the expansion of Berth 3-6 of Beijing-Tangshan

Harbor and the Qinhuangdao Harbor should be accelerated. Construction of power plants should be continued to increase capacity. On the basis of reaching 1.29 million lines in the total capacity of urban and rural telephone exchanges last year, the total capacity of urban and rural telephone exchanges this year should reach 1.8 million lines, or 2 million lines. In addition, a number of basic raw materials, basic facilities, and processing projects are under construction. The investment in fixed assets this year should increase through every possible means and should be set according to the capability of the province. The province should not only ensure the fulfillment of the set objectives but also ensure the basic balance between total supply and total demand. Efforts should also be made to attain or surpass the national average level in terms of the increase in fixed assets investment. The focus of the fixed asset investment should be placed on the readjustment of investment structure and on the optimization of investment orientation. By making full use of the province's advantages of having relatively more basic industries and basic facilities, Hebei should ensure on a priority basis the investment in the projects of agriculture, water conservation, energy resources, transportation, communications, and major raw materials, and should increase the investment in technological transformation, high and new technological, and precision and deep processing projects. At the same time, Hebei should increase a number of processing projects oriented to increasing the value that are much demanded on markets, require fewer fund investments and short construction period, and yield rapid returns from investment and good economic efficiency. At the same time, efforts should be made to incorporate these processing projects to the general construction plan of the state and the province. The general projects, whose economic efficiency is poor, whose construction funds have not been ensured, and that have no construction conditions, should be curbed resolutely to avoid duplicated and ill-planned projects. Energy should be concentrated on key construction projects. This year, Hebei Province has arranged, through screening, 158 key construction projects, 129 of which are the projects under continued construction, and should strive to obtain 13 projects whose construction will begin this year and 16 preparatory projects approved by the state. Attention should be paid to accelerating the building of the continued projects to ensure the completion and commission of 42 continued projects this year. The province should positively create conditions to win the state approval, as early as possible, of the two major construction projects, with one being the Shenhua Land Port that is of strategic importance to Hebei's economic development and the other being the middle section of the project of diverting water from south to north. Continued efforts should be made to select good projects and do prephase preparatory work to ensure that the province's construction projects will not stop. The province should try every possible means to raise construction funds and open up more channels to raise and circulate money. We should strive to include some

infrastructural projects compatible with the state's industrial policy in the total state construction plan and win the money support from the state policy-lending banks, various specialized banks, and other monetary institutions. Meanwhile, we should strive to raise funds from in and outside the province and actively and effectively use foreign capital. Banks and approved monetary institutions other than banks should fully develop their role in money lending to meet the needs of key construction projects. We should strengthen the management and coordination of key construction projects. We should strengthen the macro-regulation, control, and guidance of investment, apply the legal person responsibility system to key projects, and establish the mechanisms of risk-taking and restraint for new construction projects. We should strengthen the auditing and supervision of the use of funds and strictly keep the funds within the budget. While ensuring construction quality, we should strive to speed up the progress of construction to ensure all projects are started and commissioned early and yield benefits early.

**E. We should actively develop the nonstate sectors of the economy to cultivate the new growing points of economic development.**

We should adhere to the principle of developing the various sectors of the economy simultaneously while keeping the public sector predominant, and, while actively promoting the development of the state-owned economy, we should further adopt encouraging policies to develop the collective, individual, private, and foreign-funded economies. In developing the nonstate sectors of the economy, the key is that leaders at all levels should enhance understanding. They should take the "three advantages" as the criteria, eliminate the shackles of "leftist" ideas, conscientiously address the problem that the nonstate sectors "are discriminated against in policies and unfairly treated by the media, faced with levies of unwarranted fines, donations, and fees, and have no one to support them," treat all enterprises equally, and create a good social environment for the nonstate sectors to develop and to participate in market competition on an equal footing. We should include the development of the nonstate sectors of the economy in the local economic development plan and work out clear and specific targets. We should strengthen the management of the nonstate economies according to law and safeguard the legal rights and interests of the owners and managers of property. Meanwhile, we should actively give guidance to and exercise supervision over enterprises so that they will operate according to law, pay taxes according to regulations, and distribute interests in a rational manner. We should crack down on tax evasion, manipulation of the market, and other law breaches to promote the healthy development of the nonstate economies.

**F. We should unswervingly implement the strategy of promotion through the export-oriented economy and open wider to foreign countries and domestic areas.**

We should make the best use of the domestic and foreign markets, resources, and funds, speed up the connection with the international market, and implement the strategy of promotion through the export-oriented economy. This is an important way to develop the socialist market economy and also a significant change in Hebei's guiding thoughts for economic development and its work of opening to the outside world. To comply with this change, we should further emancipate our minds and have the courage and foresight to open wide, achieve great improvement, make major breakthroughs, and achieve large development.

We should pay attention to foreign trade, foreign funds, and foreign economic relations simultaneously and speed up their development. In exports, we should take advantage of the reform of the foreign trade system and stimulate the enthusiasm of all quarters to improve our capacity for earning foreign exchange through exports. We should adhere to the guiding thought that foreign trade should be developed by everyone and pool the efforts of the "four major armies." The provincial specialized import and export corporations should play their role as the major force to ensure the steady growth in exports. City and prefectural import and export corporations, enterprises with the decisionmaking power in export, and the three types of foreign-funded enterprises should achieve a rapid increase in exports. We should strive to reach the national average growth rates in ordinary trade, the export of the three types of foreign-funded enterprises, and barter trade and make Hebei's exports grow at the same pace with its gross national product. In using foreign capital, we should uphold the principle of giving simultaneous attention to large-, medium-sized, and small projects; to primary, secondary, and tertiary industries; to the efforts of the province, and various cities, prefectures, and counties; to various economic sectors, and to capital from Hong Kong, Macao, Taiwan, Overseas Chinese, and foreign countries; and actively broaden the channels and spheres in using foreign capital. We should strengthen external contacts, expand external propaganda, and regularize and standardize the work of inviting business and foreign capital. Through efforts, we should realize the goal of actually using \$600 million in foreign capital this year, strive to make it reach \$700 million, and build 700 three types of foreign-funded enterprises. In foreign economic and technological cooperation, we should achieve a big breakthrough this year. It is necessary to contract more labor services and construction projects abroad, actively support localities and enterprises with favorable conditions to export technology and equipment, establish enterprises abroad, and do business in foreign countries. Through the efforts of this year and next, we should realize the objective of "making the foreign economic business volume reach \$10 million and exporting 10,000 laborers"; and this year we should make the foreign economic business volume reach \$5 million and the number of laborers working abroad reach 5,000.

We should continue to attend to places around Bohai, Beijing, and Tianjin. Our province has the two major advantages of being surrounded by Bohai Bay, Beijing, and Tianjin. If we do a good job in giving play to these two advantages, we will have great hope for accelerating Hebei's economic development. We should further enhance the sense of being "surrounded by Bohai Bay, Beijing, and Tianjin." The four cities of Qinhuangdao, Tangshan, Cangzhou, and Shijiazhuang cities located along Bohai Bay should actively organize people to implement the strategy on opening up and economic development which aims at "developing export-oriented economy to bring along the entire economy, combining the efforts of places around Bohai Bay, Beijing, and Tianjin, establishing cooperation at home, and making breakthroughs in introducing foreign capital," accelerate the pace to change the domestic-oriented economy into the export-oriented economy, achieve new breakthroughs in establishing and introducing large projects in the development zone, establish the due status of these cities in the economic zone around Bohai, and give play to their exemplary and radiation role in the whole province. All cities, prefectures, and counties should pay attention to places around Bohai, Beijing and Tianjin, formulate new measures, strive to develop a new sphere for developing Hebei by relying on Beijing and Tianjin, taking advantage of these two municipalities, and serving them, and grasp this work well until good results are achieved. This year Hebei plans to sign 1,100 domestic cooperative projects and introduce 2.3 billion yuan of funds and 6,000 trained personnel from other provinces.

We should further improve the investment environment. Continued efforts should be made to improve the tangible conditions. This year, we should continue to expand the strength in making investments in communications, telecommunications, and power projects, strive to complete a number of key projects, and put them into use as early as possible. We should pay attention to improving the intangible conditions, further improve the system involving the management of foreign business firms, reduce and simplify procedures, raise efficiency, and improve service. It is necessary to strengthen management and service over three types of foreign-funded enterprises, manage things strictly in accordance with international practices, conscientiously implement the "joint-venture law," and help enterprises solve practical problems. We should strengthen the training and improvement of personnel dealing with foreign business and introduce and cultivate personnel for handling international economic and trade business activities in an effort to meet the needs of unceasingly expanding opening up and accelerating the export-oriented economy.

### 5. We Should Actively Develop Scientific, Technological, Educational, and Cultural Undertakings

The development of scientific, technological, educational, and cultural undertakings is an important aspect in building an economically strong province, and an important guarantee for smoothly carrying out reform, opening up, and economic construction. While concentrating efforts on grasping economic construction, we should pay great attention to this work and actively reform and develop scientific, technological, educational, and cultural undertakings.

We should accelerate the pace of scientific and technological progress. The key in this regard lies in concentrating on "integrating science and technology with the economy" and "turning scientific and technological results into productive forces." By deepening the reform, we should establish or improve the mechanism of effectively integrating science and technology with the economy and accelerate the pace in commercializing the scientific and technological results and turning these results into practical productive forces. Efforts should be made to vigorously establish or improve the institutions in charge of scientific and technological development owned by enterprises. All large- and medium-sized enterprises across the province should create conditions for establishing as soon as possible their own scientific and technological development units; actively set up technical associations with the scientific research units and the higher educational institutions; and enforce the projects with joint efforts made by productive units (enterprises), schools (higher educational institutions), and research (scientific research institutes or units) to accelerate the integration between science, technology, and the economy. The work emphasis of this year will be placed on successfully establishing scientific and technological development units among 300 large- and medium-sized enterprises and building the internal technical progress mechanism of enterprises with the integration among markets, scientific research, and production to enable enterprises to possess stronger capabilities in technical development and transformation.

While continuously enhancing basic research, we should further reinforce the dynamics in applied research, technical development, and result popularization. In 1994 the province plans to manufacture or develop 1,100 new products at or above the provincial level. Of these products, over 40 percent of them will reach the domestic advanced level. It will study to develop 100 projects of new technologies at or above the provincial level. Of these technologies, over 60 percent of them will reach the domestic advanced level. The province will also do a good job in formulating 20 projects of assimilating the imported products and technologies and creating something new from them. By regarding as a target the integration between science, technology, and the economy, the province will do a good job in overcoming the scientific and technological difficulties among the 40 important and major research projects and among the 140 key projects; as well as in scoring the results with the domestic advanced

level among the 100 projects. Efforts should be made to boldly develop privately owned scientific research units; and to establish privately owned scientific and technological enterprises, scientific and technological enterprises owned by the state but operated by individuals, and the three types of foreign-funded enterprises in charge of scientific and technological research. The province will accelerate the pace in building the state-level high and new technology industrial development zones of Shijiazhuang and Baoding and select areas for building 12 provincial high and new-technology industrial parks. We should concentrate our efforts on successfully conducting the key work in building these parks. Efforts should be made to accelerate the development of high and new technologies and high and new technology industries. In 1994 the province's number of high and new technology enterprises appraised as qualified will reach 350 and that of high and new technology products will reach 550. We should earnestly implement the principle of "opening up, invigorating, supporting, and guiding" to establish the open systems of technological markets. Based on continuously improving the provincial level technological markets, we should do a good job in emphatically establishing permanent technological markets.

We should accelerate the development of educational undertakings. In conducting the education work, we should earnestly implement "China's outline on educational reform and development"; deepen the reform in the educational systems; and readjust the educational structure. We should also upgrade the teaching quality and schooling efficiency and vigorously train the talented personnel of various kinds, who are able to meet the demands of developing the socialist market economy. Efforts should be made to accelerate the enforcement of nine-year compulsory education. In enforcing compulsory education, we should chiefly have the schools operate with the state investment; encourage the social fund raising to be made through multiple channels and styles and local people to operate schools; and foster a new system with the integration between most schools being run by the government and social participation in schooling being realized. A good job should be continuously done in grasping the "educational project of hope" and realistically resolve the problem of the school-age children in rural areas being unable to enter schools. Efforts should be made to consolidate, upgrade, and perfect the secondary vocational and technical education and the adult education. We should actively push forward the comprehensive reform in rural education and enforce overall arrangements among agriculture, science, and education. In 1994 the province will concentrate its efforts on building 100 vocational education centers at the county level. A good job will be continuously done in eliminating illiteracy among youths. In conducting the higher education, efforts should be made to grasp the projects including the strong points of higher educational institutions; to create research results with competitive capability; to turn out highly sophisticated

technologies; and to train outstanding and qualified talented personnel for serving economic construction and social development. We should positively and steadily readjust the specialized course of institutions of higher learning. Through appropriate amalgamation, we should expand the scale of institutions of higher learning and upgrade the efficiency in running schools. We should positively organize forces to strive to join the implementation of the state "211-project" plan and attend to the construction of two key universities and 50 major branches of learning. On the premise of taking teaching as a key link, we should vigorously strengthen scientific research so as to further suit the demands for upgrading the teaching quality and serving the economic construction. It is necessary to stabilize the scale of recruiting students for universities and secondary specialized schools. This year, ordinary institutions of higher learning should recruit 36,000 students and secondary specialized schools should recruit 75,000 students. We should conscientiously implement the "law governing teachers" and realistically safeguard the legal rights and benefits of teachers. We should strive to set up and maintain a teacher contingents with high political integrity, high professional abilities, and a strong spirit of respecting the professional work. We should realistically solve teachers' wage, housing, and training problems; stabilize the teacher contingents; and promote the overall provincial educational level to a new height.

It is necessary to promote the prosperity of the socialist cultural undertakings. We should persist in the orientation of making literature and art serve socialism and the people and the principle of letting a hundred flowers blossom and a hundred schools of thought contend, carry forward the main melody, advocate a variety of artistic styles, and persistently attach primary importance to social benefits. On this prerequisite, we should unify economic results with social benefits. We should positively promote the reform and setup of the cultural system, make efforts to create outstanding skilled persons and outstanding artistic works, strive to create and upgrade "Yanzhao art" with Hebei's special characteristics, and provide the people with the spiritual food of healthful and colorful contents. The press and publication and radio and television departments should prominently propagate reform, opening up, and economic construction; press close to reality, life, and the people; ceaselessly upgrade the effect of propaganda; and expand the scale of propaganda. We should vigorously develop the mass cultural undertakings; collect funds from all fronts to accelerate, in a well-planned manner and in the order of importance, the construction of such cultural facilities as cultural centers, libraries, scientific and technological centers, museums, archives, and gymnasiums; add grass-roots scientific and technological and cultural centers; and launch cultural activities within enterprises, neighborhood committees, campuses, villages, and towns so as to satisfy the people's increasing higher cultural and entertainment demands. It is necessary to strengthen the management of cultural markets and ensure the sound development of cultural markets. We should protect, develop, and use cultural relics according to laws.

It is necessary to develop public health and sports undertakings. We should persist in the principle of putting prevention first in medical work and pay attention to and strengthen the prevention and cure of the diseases that seriously harm the health of the people. This year, we should continue to carry out, on a trial basis, the medical insurance system in the urban areas; develop the rural cooperative medical treatment system; and set up perfect county, township, and village medical treatment networks. We should strengthen the education on medical ethics among the medical units at various levels; vigorously carry forward the spirit of wholeheartedly serving the people, saving the dead, and supporting the injured; resolutely correct the unhealthy trends within various trades; and strive to upgrade the medical and technological levels and service quality. We should persist in the principle of paying equal attention to popularizing and improving sports activities and positively explore ways for reforming the sports management system in the new situation. At the time of implementing the "state all-people health plan" and vigorously popularizing mass sports activities, we should grasp our strong items, cultivate outstanding athletes for our province, and upgrade Hebei's sports competition levels.

#### **6. We Should Realistically Strengthen Spiritual Civilization, Democracy, and the Legal System**

In the progress of reform, opening up, and socialist modernization, we must always uphold the principle of "taking a two-handed approach and be tough with both" and attach prime importance to realistically strengthening socialist spiritual civilization, democracy, and the legal system.

We should conscientiously attend to ideological and political construction under the socialist market economic conditions. It is necessary to persist in using Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to unify the ideology and understanding of the broad masses of cadres, using scientific theory to arm the people, correct public opinions to guide the people, noble spirit to mold the people, and outstanding works to encourage the people. We should deeply and realistically organize the study of volume no.3 of the "Selected Works of Deng Xiaoping," urge the higher and the lower levels across the province to unceasingly emancipate the mind, renew concepts, and enhance the consciousness and steadfastness of the broad masses of cadres in unwaveringly implementing the party's basic line. We should persist in using correct public opinions as the guidance, guide the broad masses of cadres to improve relations in reform and to support and participate in reform. It is necessary to strengthen education on pioneering undertakings with painstaking efforts during the new period, actively conduct all forms of education on patriotism, collectivism, and socialism, promote healthy trends among the people, and strengthen their cohesion. The correct outlook on life, the concept on value, and the civilized and healthy way of living should be upheld, and money worshipping, out-and-out egoism, and all sorts of decadent ideologies should be resolutely resisted and

opposed. Further efforts should be made to strengthen education on professional ethics and social morality, adopt clear-cut stand to support justice, deal blows to unhealthy trends, and form a good social habit of conducting healthy activities to scale the heights and making progress actively.

We should earnestly promote socialist democracy. It is necessary to always pay attention to safeguarding the right of the broad masses of people of being masters of their own destiny, extensively mobilize and rely on the masses, and give full play to, safeguard, and guide the enthusiasm of the broad masses of people. Governments at all levels should respect the people's congresses, the people's congress standing committees, and the deputies to exercise their functions and powers in line with law and consciously receive legal supervision and work supervision from the people's congresses. We should pay attention to giving play to the role of the CPPCC committees, democratic parties, nonparty patriotic persons, and mass organizations in political consultation and democratic supervision and conscientiously listen to their opinions and suggestions while making major policy decisions. It is necessary to conscientiously handle all proposals and suggestions raised by deputies and the motions raised by the CPPCC committee; further establish and improve the system and procedures in making policy decisions and giving supervision democratically so that all policy decisions are made in a scientific, democratic, and legal manner. We should actively strengthen democracy in the grass roots, give full play to the role of workers' congresses, neighborhood committees, and villagers' committees, and guarantee that the grass-roots people can fully exercise their democratic power.

We should pay great attention to socialist legal system. To build and improve the socialist market economic structure, we must have a perfect legal system as a guarantee for keeping the activities within a proper bound. We should step up efforts to formulate laws and regulations to keep the market activities within proper bound, to safeguard the market economic order, to improve macroeconomic regulation and control, and to perfect social security, establish and improve laws and regulations, conscientiously perform administrative work in line with law, and use more economic and legal means to organize, guide, and manage economic activities and social affairs. We should strengthen inspection and supervision over law enforcement and resolutely resolve the problems of failing to observe the laws that are enacted and to strictly enforce laws and regulations, and using one's words to replace laws and one's power to bend the law. Continued efforts should be made to deeply develop the "second five-year plan to disseminate law knowledge," and enhance the legal concept of the broad masses of people. We should further strengthen the legal service and the legal guaranteeing functions of judicial and administrative organs at all levels and make more contributions to accelerating reform, opening up, and the development of the socialist market economy.

The comprehensive management of social order should be strengthened. We should be highly vigilant against and deal resolute blows to the sabotages conducted by hostile forces and hostile elements at home and abroad. The campaign of dealing severe blows to crimes should be launched continuously and profoundly, and forces should be organized in a timely manner to deal blows to crimes. All sorts of serious criminal and economic cases should be investigated and cracked rapidly and should be punished according to law as severely and promptly as possible. All criminal cliques, the cliques with the nature of underworld society in particular, and all the hooligans and criminals who jeopardize public security, should be stricken voluntarily and be eliminated resolutely. Even more resolute measures should be adopted to wipe out pornographic books and articles, to strike human abduction, and to eliminate the "six social vices." Efforts should be made to wipe out all ugly social phenomena, resolutely investigate and ban all sorts of unlawful behaviors, such as manufacturing and selling of obscene articles, prostitution, visits to whores, gambling parties, and obscene service. Meanwhile, severe blows should be dealt to those who abduct and sell women and children. We should continuously strengthen the building of basic and grass-roots public security organs, give full play to the role of all mass autonomous organizations, such as the social order maintenance organs at the grass-roots level and the people mediation organs, establish and perfect the socialized security guarding mechanism, comprehensively implement various measures and responsibility system concerning comprehensive management of public security, mobilize the forces in all fields of society to maintain social order altogether in order to create a fine social order.

The activities of supporting the army, giving preferential treatment to family members of revolutionary martyrs and servicemen, supporting the government, and cherishing the people should be launched in a profound way, and the building of the army should be supported positively.

We should continue to consolidate and develop the province's excellent situation characterized with army-government unity and army-people unity in order to promote the in-depth development of the "double-support" activities. We should profoundly launch the activities of the army and the people or the police and the people making concerted efforts to build spiritual civilization and to create "double support" model cities and counties in order to create even more "double support" model units. Governments at all levels should enthusiastically show concern for and support army building and should actually help the army resolve the problems with regard to the training oriented to preparations against war and to the construction of national defense projects. Governments at all levels should also do a good job in receiving retired army cadres, giving special care to disabled servicemen and to family members of revolutionary martyrs and servicemen, and providing jobs for demobilized soldiers. We should further enhance the national defense concept of the vast numbers of cadres and the masses.

The nationality and religious work should be improved. The nationalities policies and religious policies of the party and the state should be carried out conscientiously. Great efforts should be made to promote and support the development of the economy and all other undertakings of minority nationalities areas. The unity among various nationalities should be enhanced, the culture of various nationalities should be carried forward, and efforts should be made to train cadres of various nationalities. The system of national regional autonomy should be upheld and improved, the customs and habits of all minority nationalities should be respected, and the socialist relations among all nationalities should be consolidated. The legal management of religious affairs should be strengthened, normal religious activities should be protected, and the activities of utilizing religion to commit crimes should be stopped and dealt with according to law.

#### Fellow Deputies!

Opposing corruption, strengthening administrative honesty and diligence of governments at all levels, and resolutely struggling against all sorts of corrupt phenomena are a fundamental task for the building of political powers at all levels as well as a major guarantee for the smooth progress of reform, opening up, and economic development. Governments at all levels should fully understand the long-duration and arduousness of the anti-corruption campaign and should carry this campaign through to the end. All state functionaries, leading cadres in particular, should keep firmly in mind that the powers in their hands are invested on them by the people and all the behaviors of abusing one's powers to seek personal gain are against the will of the people, adversely affect the prestige of the party and the government among the masses and destroy the flesh-and-blood relations between the party, the government, and the people. Therefore, our cadres at all levels should take the initiative in remaining clean and honest in performing official duties, be diligent to work for the people, and serve the people wholeheartedly. We should make further efforts to address the problems about which the masses have many complaints. We should step up establishment of effective mechanisms for supervision and restraint, fully develop the supervisory role of the laws, organizations, masses, and the media, continue to investigate and handle the serious cases on embezzlement, bribery, dereliction of duty, and sternly punish corrupt elements. We should make continuous efforts to check the unhealthy trends of abusing power for extortion, swindling, trampling upon others, telling lies, making false achievement reports, making false accounts, and producing fake and inferior commodities. In the struggle against corruption, we should correctly handle the relations between the anticorruption struggle and economic construction, be firm in promoting reform, opening up, and the socialist market economy, be firm in opposing corruption, advocating honesty, and cracking down on crimes, and continuously push forward the endeavor of opposing corruption and advocating honesty, reform, opening up, and the modernization drive.

We should actively facilitate the reform of the administrative system and the organizational reform and accelerate the transformation of the government functions. In line with the guidelines of the 14th party congress and the first session of the eighth NPC, Hebei's organizational reform should be by and large completed by the end of 1995 and the popularization of the public service system should be by and large completed by the end of 1996. Based on the principle of streamlining organizations, changing functions, bringing the relations between various sectors into better balance, promoting development, and ensuring stability and the general idea of diverting personnel after determining the functions, the setup, and the staff of organizations and then establishing the public service system, we should first carry out the reform of the provincial-level organizations and then promote the reform at the city, prefectural, county, and township levels in a planned and orderly manner. Governments at all levels should strengthen the organization and leadership of this work, conscientiously carry out ideological and political work, and educate the vast number of office personnel to have the cardinal principles in mind, take the overall situation into account, correctly treat the organizational reform, remove the ideological obstacles, stabilize their feelings, and ensure the smooth progress of the organizational reform and the normal operation of the office work. Through the organizational reform, we should gradually establish an administrative system that suits the needs of the development of the socialist market economy and build a compact, highly trained, honest, highly efficient, and vigorous contingent of public servants.

We should attach great importance to and properly handle the contradictions among the people and earnestly show concern for people's life. Following the continuous deepening of reform, various types of contradictions among the people may be reflected in complicated forms. We should conduct ideological education, give policy guidance, adjust the interests between various sectors, and adjudicate according to law to properly address the issues concerning the vital interests of the masses and the sensitive hot issues, eliminate the destabilizing factors in a timely manner, and consolidate and develop the stable and united political situation. We should earnestly give heed to people's petitions and maintain close ties with them. Governments at all levels should always be concerned with the well-being of the masses, especially the supplies of fuel, rice, oil, salt, soy sauce, vinegar, and vegetables to them, to ensure the supplies of daily necessities and the distribution of wages to teachers, cadres, and workers on time. We should conscientiously do a good job in helping the poor and disaster relief. We should adopt all necessary measures to help resolve the difficulties in the production and life of difficult enterprises and people of disaster areas. We should create a stable social environment for reform and development through various work.

We should exert great efforts to improve leadership style, seek truth, deal with concrete matters relating to work, and do solid work. According to Comrade Jiang Zemin's recent requirements for "concentrating more time, having less

social intercourse, conducting more investigation and study activities, having less subjectivism, doing more concrete deeds, and indulging in less empty talks," we should strive to make noticeable progress in improving the leadership style. It is necessary to vigorously advocate the style of study. The leading cadres at various levels should take the lead in studying the third volume of the "Selected Works of Deng Xiaoping" and the CPC Central Committee's "decision on several issues relating to the setup of the socialist market economic system," strive to grasp the new knowledge concerning the market economy, study the new measures for promoting the economic development, master the new methods for solving various contradictions and problems cropping up during economic operation, upgrade the abilities in organizing and leading the socialist market economy, and enhance the foresight, initiative, and creativity of the work. We should adopt various forms to give trainings at different levels, in groups, and by stages so as to make the broad masses of the cadres' ideas and work methods suit the changes from the planned economy to the market economy. It is necessary to vigorously advocate the practice of investigation and study. We should persist in materialist dialectics, avoid lopsidedness and formalism, and overcome subjectivism and bureaucracy. The leading cadres at various levels should often go deep to the grass roots, the masses, and the reality to conduct more investigation and study activities and help solve problems and to timely discover, sum up, and popularize the masses' creativity and experiences. The government leaders at the provincial, city, and county levels should make division of work, keep contacts with the units that they should assume responsibility for their reform work, grasp typical cases, and sum up experiences, and promote the work of the overall situation. It is necessary to vigorously advocate the practice of doing solid work. The working personnel of the governments at various levels should firmly foster the idea of doing solid work to rejuvenate the province and make the province strong, have the spirit of holding themselves responsible to the party and the people, create achievements, and make new changes in the appearances of their localities, departments, and units in the new situation. We should further perfect the system of responsibility for management of fixed tasks and perfect the cadre encouragement and restriction mechanisms. The cadres with outstanding achievements and those who are among the best within their trades and departments should be commended. Those who make slow progress in their work; those whose development speed, progress levels, and work seating arrangements lag behind the national average levels; and those who fail to make progress or even lag behind for several years should be encouraged to change their appearances. We should resolutely readjust the leading bodies and cadres that fail to improve their work, seriously create disunity, indulge themselves in unhealthy practice, accumulate the problems, engage themselves in the "fake and unqualified" activities in their leadership work, are involved in serious problems, and produce bad influences. We should vigorously advocate the practice of doing solid work and striving to create quality achievements and further speed up the pace of reform, opening up, and building Hebei into an economically powerful province.

Fellow Deputies:

We are now in an extremely important historical period. Time is advancing and the situation is developing. Our fighting strides cannot be obstructed by any difficulties and obstacles in the course of advance. Under the leadership of the party Central Committee, the State Council, and the provincial party committee, we should firmly grasp the historical favorable opportunities, unite as one, keep forging ahead, arduously do pioneering work, and make unwavering efforts to advance toward the target of building Hebei into an economically powerful province.

**Heilongjiang Government Work Report**

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25 Feb 94 p 2

[“Excerpts” of Heilongjiang provincial government work report delivered by Governor Shao Qihui at the second session of the eighth provincial people’s congress on 24 February]

**[Text]Review of 1993 Work**

Under the leadership of the provincial party committee, the people of the province thoroughly implemented the guidelines of the 14th national party congress and Comrade Deng Xiaoping’s important speeches, further emancipated the mind, had courage in practice, and worked in a down-to-earth manner, with the focus on establishing the socialist market economy system and comprehensively promoting socialist modernization, in the past year. The work tasks for 1993 approved at the first session of the eighth provincial people’s congress were by and large accomplished, and great achievements were won in reform and development.

The national economy developed in a sustained and stable manner. Despite contradictions in systems and structures, which had yet to be resolved, and the rather serious restrictions imposed by the bottlenecks, such as funds and transportation, we managed to maintain a fairly high growth rate in Heilongjiang’s economy thanks to the efforts to rely on reform and opening up, strengthen macroeconomic regulation and control, and overcome numerous difficulties. The gross domestic product totaled 102.8 billion yuan, up 4.9 percent from the preceding year in terms of comparable prices. Industrial production rose steadily, and its economic efficiency improved notably. The annual industrial output value totaled 131.6 billion yuan, up 6.2 percent in terms of comparable prices. Proceeding from strengthening the position of agriculture as the foundation and protecting and boosting peasants’ enthusiasm, we made conscientious efforts to correct the irrational burdens (totaling 360 million yuan or 20.8 yuan per capita) on peasants when doing rural work, made active efforts to eliminate “IOUs,” increased money, science, and technology input, facilitated the “four aspects of integrated management,” and thus promoted rural economic development. Agricultural output value totaled 33 billion yuan, up 2.3 percent. Grain output attained a new height to reach 23.91 million tonnes. Animal husbandry

developed in a sustained and balanced manner, and the proportion of its output value to the total agricultural output value rose to about 25 percent. An unprecedented good situation emerged in township enterprises, which registered a growth rate of 53.1 percent, increased their output value to a level that accounted for 60 percent of the agricultural output value, and were becoming the major force of the rural economy. Key construction and technical transformation were accelerated, and investment of the entire society in fixed assets totaled 32.15 billion yuan, up 36.4 percent. Urban and rural markets remained thriving, with the total volume of retail sales increasing by 12.3 percent over the preceding year. Revenues rose steadily, and the financial order improved.

We quickened the steps toward the socialist market economy system. Enterprise reform focusing on enforcing the “regulations on transforming the operating mechanism of the enterprises owned by the whole people” and Heilongjiang’s “detailed regulations for implementation” made significant headway. Enterprises’ decision-making power was implemented gradually, and, in particular, reform of the property right system began to take a big step forward. Especially after the third plenary session of the 14th party Central Committee, we formulated and put into effect a series of major reform measures in line with the guidelines of the “decision” and the national economic work conference, which would notably accelerate our transition from the planned economy system to the socialist market economy system.

A good development trend continued in opening to the outside world. Further developing the advantages presented by the opening of border areas, we made active efforts to promote the strategic escalation of opening to the outside world, emphasized the building of the large pasageway for international trade, implemented the strategies of winning with quality and diversifying the market, and made persistent efforts to push large and medium-sized enterprises to the major battleground of foreign economic relations and trade. Heilongjiang’s total imports and exports came to \$3.06 billion, up 6.2 percent from the preceding year.

All-round progress was made in various social undertakings. With economic construction as the central link, development of the economy and society was coordinated. Thanks to the profound implementation of the strategic principle of “invigorating the province through science and technology,” more sciences and technologies took root in the economy, more scientists and technicians plunged into the main battlefield of economic construction, and more scientific and technological research achievements were translated into practical productive forces. Adhering to the principle of “taking a two-handed approach and being tough with both hands,” we went all out to build the socialist spiritual civilization. The cultural front presented

a group of fine cultural works that mainly reflected practical lives. Harbin city successfully obtained the right to host the Third Winter Asian Games. Great results were achieved in public health, sports, family planning, press and publication, broadcasting and television, environmental protection, and the work of nationality, civil administration, overseas Chinese affairs, and foreign affairs.

Living standards of urban and rural residents continued to improve. Deducting the factors of price rises, the per capita annual income of urban residents available for living expenses increased by 5.2 percent over the previous year, and the per capita net income of rural residents increased by 2.1 percent. Savings deposits of urban and rural residents at the end of 1993 increased by 10.68 billion yuan, up by 22.6 percent. Urban and rural construction was accelerated, and public facilities improved somewhat. The per capita housing area of urban residents was 6.4 square meters, 0.2 square meters more than in the previous year. The per capita housing area of rural residents was 14.53 square meters.

Construction of democracy, the legal system, and administrative honesty was strengthened. Governments at all levels conscientiously executed the resolutions of people's congresses and their standing committees, attached full importance on the role of the organizations of Chinese People's Political Consultative Conference [CPPCC], democratic parties, people's groups, and various circles in society in conducting political consultation and democratic supervision, earnestly received the letters and visits from the masses, and handled 178 proposals from people's deputies and 373 motions from the CPPCC organizations. Remarkable improvement was made in drawing up and enforcing administrative laws and in supervising law enforcement. In line with the arrangements of the central authorities and the provincial party committee, we positively and conscientiously launched the anticorruption campaign among government departments.

In the past year, many difficulties and problems remained to the province's economic and social lives. Deep-rooted contradictions in systems and structures were not resolved effectively, overall economic efficiency was not good enough, restrictions to economic activities remained very serious, the margin of price hikes was on the high side, the people's living standards improved slowly, the number of enterprises with difficulties increased, some city and county organizations as well as some schools had difficulties in paying wages or salaries, and there unstable factors in society increased relatively.

#### **Principles and Objectives for 1994's Provincial Economic and Social Development**

The principles for the 1994 work of the province are: Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we should profoundly implement the guidelines of the 14th party congress and the third plenary session of the 14th CPC Central Committee, accelerate the building of the

socialist market economic structure and the modernization drive, vigorously readjust economic structure and improve economic efficiency, safeguard political stability, and promote the all-round progress of society.

In line with this principle, the province's major targets for economic and social development in 1994 are as follows:

The gross domestic product will show a 6 percent increase over 1993.

The total industrial output value will show an about 5 percent increase over 1993.

The total agricultural output value will show an about 4 percent increase over 1993.

The investment made in the fixed assets of society as a whole will show a 20 percent increase over 1993.

The increased scale of social retail prices will be controlled at about 10 percent.

The rate of natural population growth will be controlled under 12 per 1,000.

In order to totally fulfill the tasks and targets of economic and social development in 1994, we must pay attention to grasping the following points in ideology and work:

First, in developing the economy, we must proceed from the province's reality. Comrade Deng Xiaoping stressed: "Development represents an essential criterion" and "the final resolution of problems should also depend on economic development." Particularly, in view of the province, we must make efforts to bring about a change to the slow development and to strive to achieve a faster growth. We will face many favorable conditions for accelerating development in 1994. However, we should also fully note that if we fail to fundamentally deal with the systematic and structural contradictions, such as the long-standing adversity cropping up in the structure of industries focused on basic production and natural resources, the large amount of losses of economic results caused by the systems of highly mandatory plans and the tortuous changes of prices, the high demands of investments, the high cost of production, the weak capability of self accumulation, and the low level of inputs, as well as the restriction imposed on by the bottleneck of funds and transportation, will continue to adversely affect the province's economic development. Based on stabilizing the increase at present, we can only exploit strong points and avoid shortcomings; readjust the structure; and gradually provide conditions for achieving fast development in the coming few years.

Second, the way and hope to dealing with the problems cropping up in the province's economic development lie on deepening the reform. The state has issued major and important measures this year for the fields of finance and taxes, banking, planning, investment, foreign trade, and the reform of state-owned enterprises. We should organize the departments concerned to carefully enforce them. According to the target of establishing the systems of

socialist market economy, many reform measures are beginning to be enforced this year. As soon as these measures begin, we should do a good job in grasping the direction and concentrate our efforts on formulating new systems and mechanism. Efforts should be made to enhance the follow-up analysis over the reform progress and to discover or resolve the prominent problems cropping up along the advancing road. A good job should be done in conducting the harmony, coordination, and improvement of reforms. In making arrangements for the economic work, we should create a more relaxed environment for reforms so as to ensure their smoother progress.

Third, safeguarding and maintaining social stability represents an overriding task. Without a stable social environment, we are in no position to do everything. Localities and departments whose stability situation is more serious should spend some time and concentrate their efforts on vigorously grasping the work of safeguarding stability as well as sacrifice a little the development rate and adequately slow down the pace of reforms.

Fourth, we should uphold the principle of "building the two civilizations simultaneously and scoring achievements in both of them." We should constantly grasp material civilization on one hand and spiritual civilization on the other, grasp economic construction on one hand and struggle against corruptions on the other, and grasp construction on one hand and legal systems on the other.

#### **Develop Rural Economy in an All-Round Manner, With the Focus on Increasing Peasants' Income**

Maintaining the stability and development of the rural economy constitutes an important foundation for ensuring Heilongjiang's economic and social stability, and agriculture should be put unfailingly in the first place of economic work.

We should deepen the rural reform. The original farmland contracts should be extended another 30 years without change when they expire. Paid transfer of land use right according to the law should be permitted, and the optimal-scale operation based on household contracted operation should be developed. Rural socialized service system should be improved continuously. We should accelerate rural market construction and guide peasants to enter the field of commodity distribution. In line with state arrangements, we should continue to maintain the contracted grain purchasing quota and properly raise the grain purchasing price when new grain begins to be marketed this year. We should establish the grain risk fund and further improve the grain reserve and marketing systems.

Guided by the market, we should lead peasants to adjust the production setup and product mix of their own accord so that agriculture will develop along the direction of high yields, good quality, and high efficiency. The areas planted to different crops should be properly arranged, and the emphasis should be on development of the advantageous strains needed by the market and the products of high commercial rate and capable of earning plenty of foreign exchange. We should intensify construction of capital

farmland water conservancy facilities and do a good job in afforestation. To facilitate sustained and stable agricultural development, we should continue to increase financial allocations, credit, and peasants' investment to agriculture.

We should carry out the "leap-over project" of township enterprises. The output value of Heilongjiang's township enterprises should reach 50 billion yuan this year, up more than 50 percent from last year. The cooperative shareholding system should become the major way of township enterprises' reform and development, and cooperative shareholding enterprises established with the funds pooled by peasants, who either participate in their management or not, should be greatly developed. Township enterprises should do a good job in cooperation with coastal areas, scientific research units, colleges and universities, and large enterprises. We should strive to increase the investment in township enterprises and, by pooling funds, inviting investment, and increasing bank loans, increase the investment to 2 billion yuan this year. We should give particular attention to the construction of small township industrial zones and develop the large areas with the concentration of these zones. We should coordinate the construction of these small zones with the construction of small cities and towns. Experiment should be conducted with the reform of the household registration system in small cities and towns, and peasants should be encouraged to invest in establishing enterprises in the small industrial zones. We should do a better job in building the bank of township enterprises' projects, actively bring in and train personnel, disseminate new technology, develop new products, and guide township enterprises to increase the scale and raise the level. We should replenish and strengthen city, county, and township leadership force in charge of township enterprises and organize the departments, enterprises, and institutions at and above the county level and some units directly under the central and provincial authorities to support and help township enterprises. We should strive to attain one year ahead of schedule the target of doubling the output value of township enterprises.

We should make unremitting efforts to reduce the burdens on peasants. Fees and charges collected from peasants should be put under strict control in line with relevant laws and regulations of the state and the province. Departments directly under the province and governments at and below the city or prefectural level have no authority to stipulate the items of fees and charges to be collected from peasants. We should strengthen management of collective finance and keep the percentage of township unified accumulation and village retention within 5 percent of local peasants' net annual income of the previous year.

#### **Combine Reform With Renovation, and Successfully Run State-Owned Enterprises, With Large and Medium-sized Enterprises as the Mainstay**

Heilongjiang is a province with more large and medium-sized state-owned enterprises, and thus it must regard the successful operation of state-owned enterprises, with large

and medium-sized ones as the mainstay, as the most important task of deepening reform and accelerating development.

To successfully run state-owned enterprises, with large and medium-sized ones as the mainstay, the most essential work is to deepen reform, accelerate renovation, and organically combine the two.

Enterprise reform should be pressed forward positively and steadily in line with the decision adopted by the third plenary session of the 14th CPC Central Committee on transforming the operational mechanisms of enterprises and establishing the modern enterprise system. At present, we should continue to conscientiously implement the "enterprise law," the "corporate law," the "regulations," and the "detailed rules" in order to truly delegate various decision-making powers to enterprises. We should rapidly establish the modern enterprise system, with emphasis on reforming the property rights of state-owned enterprises. Within this year, we should choose 50 enterprises of different trades to try out the modern enterprise system and then the system should be spread to all fields to accumulate experiences. On the basis of standardizing existing shareholding enterprises, with emphasis on establishing the corporate system, we should make great efforts to explore the organizational forms concerning the property composition of state-owned enterprises, should vigorously develop the limited liability corporations whose shares are purchased by legal entities, and should spread in a planned manner the experiments for establishing the limited corporations wholly owned by the state. The 150 state-owned enterprises that have conditions, large and medium-sized industrial enterprises in particular, should be rebuilt or be newly built into limited-liability corporations. Some large and medium-sized enterprises that are of no hope to halt deficits should be chosen to try out the bankruptcy system according to law. In the course of consolidating and perfecting existing enterprise groups, by combining the voluntary participation of enterprises with the guidance of government, we should again organize several enterprise groups of different categories that have industrial or product advantages, with key enterprises as the head. Through such major forms as the shareholding cooperative system, the management based on leasing, and the selling of property rights, we should make great efforts to completely fulfill the task of reforming property rights of small state-owned enterprises in this and the next years. To ensure the success in reforming the system concerning the property right of enterprises and to effect an innovation of the enterprise system, we must make an inventory of and check the stockpiles and capital of enterprises, actually reduce the burdens of enterprises, and accelerate the establishment of the social security system.

Technological transformation is as important as enterprise reform, and they complement each other. So far as Heilongjiang, in which enterprises are seriously aging, is concerned, it is an urgent task to energetically promote the technological transformation of enterprises.

Currently, fund shortage is the key problem hampering the technological transformation of enterprises. We must seek the way out by deepening reform and expanding the scale of opening up. With the key technological transformation projects as the backer, we should spread the shareholding system and collect funds from enterprise workers and staff members and the from society. The "grafting" renovation of enterprises should be carried out on a large scale to attract foreign funds. We should strengthen the self-renovation capacity of enterprises through the method of accelerating depreciation. In the course of running well large and medium-sized state-owned enterprises, we should pay high attention to resolving the difficulties and problems facing the state-owned enterprises of counties.

#### **Unfailingly Build Key Projects, Readjust Economic Structure, and Form New Economic Growth Points**

To extricate Heilongjiang's economy from slow growth and weak momentum, we must pay attention to building a group of key capital construction and technological transformation projects with high starting points in technology, wide connections with industries, strong competitiveness in the market, and good economic efficiency. In addition, we must make great efforts to cultivate the pillar industries that greatly affect Heilongjiang's economy.

We should concentrate energy on grasping the construction of key projects. It is necessary to accelerate the development of five key pillar industries and 10 key projects as defined by the provincial party committee. The completion and operation of these projects will greatly upgrade the province's economic development speed, efficiency, and reserve strength. In the forms of striving for loans and stocks, we should concentrate financial and material resources to vigorously and rapidly promote economic development. It is necessary to deepen investment and inter-regional capital movement systems and to intensify the investment restriction mechanism. It is necessary to intensify the development and scientific management of projects; set up a warehouse of projects, including on-going projects and reserve projects; and make positive efforts to strive for new projects.

The readjustment of the economic structure should be accelerated, and new growth points for the economy should positively be cultivated. It is impossible to set up the socialist market economic system and to register a faster economic growth rate under the unitary ownership system and the unitary economic structure. Therefore, we should vigorously develop the tertiary industry; continue to develop transportation, postal and telecommunications, scientific and technological, and educational industries; and accelerate the development of circulation, financial, insurance, tourist, real estate, information consultation, and intermediate service trades. It is necessary to boldly give free rein to the development of individual and private sectors of the economy and the three types of foreign-funded enterprises and to bring into full play the potentials of various sectors of the economy. It is necessary to implement the provincial party committee and government's "regulations on several issues related to the private

and individual sectors of the economy." The state-owned enterprises and enterprises with other forms of ownership are encouraged to make mutual investments and to become shareholders. It is necessary to develop the economy of various sectors where property rights are clearly defined.

This year, as well as in the foreseeable future, we should regard the intensive and precision processing of farm and sideline products as a new economic growth point, prominently attend to it, and regard it as a priority of the provincial government and the governments at various levels. We should regard dairy products, grain processing, forage, sugar refinery, foodstuffs, wooden goods, flax products, and medical trade as leading trades; come up with a unified plan; attain serialized development; and accelerate the pace of development. It is necessary to implement the provincial party committee and the provincial government's decision on "making trade, industry, and agriculture a coordinated process;" positively organize and guide industrial and trade enterprises; and organize a production-processing-circulation community in the forms of contract, stock cooperation, and economic assistance. In line with the precision and intensive processing of farm, forestry, and livestock products, we should conduct technological transformation among production enterprises and go all out to develop new products. Through efforts in the next few years, we should make the processing industries with farm and sideline products as raw materials become a key force to affect the province's economic development.

#### **Positively Pioneer Domestic and Foreign Markets and Promote the Opening of the Province to All Directions**

Regarding foreign economic relations and trade, we should take the deepening of the reform of the foreign trade system and the unification of exchange rates as a favorable opportunity; continue to upgrade the strategy of opening to the outside world; gradually develop the opening of the province along higher layers, wider spheres, and deep ranges; and further enhance the functions for affecting the overall economy.

In the course of opening to the outside world, we should regard the import of capital and technology as an extremely important task. As for the contracts and agreements of intention on conducting technological transformation with foreign capital as signed by the provincial government on the two overseas business invitation events, we should clearly define responsibilities and pay firm attention to the fulfillment of these contracts and agreements. Continuously in line with the economic construction priorities, we should invite businessmen, bring in capital, and expand inter-regional capital circulation channels in a well-planned manner and through various channels.

Large and medium-sized enterprises are of main bodies in the opening up and we should accelerate the pace of encouraging these enterprises to enter international markets. Efforts should be made to uphold the direction of

unifying the policies, carrying out open management and operation, enforcing equal competition, adopting the responsibility system for both profits and losses, conducting integration between industries and trade, and promoting the system of acting as agent. We should also accelerate the reform in the systems of foreign economic relations and trade and open in an orderly manner the import and export businesses to the outside world. Efforts should be made to strive to delegate more self-determination rights of imports and exports to large and medium-sized enterprises and to delegate the cash trading right to border trading enterprises as well as to encourage or support large and medium-sized enterprises to carry out transnational business in foreign countries and to have their products enter international markets.

The province will sponsor the fifth Harbin border and local economic talks this year and the Asian Winter Games in 1996. By regarding the sponsorship and arrangements for the talks and games as a turning point, we should further improve the investment environment and broaden the province's influence in the world.

Markets for the province's products at present are chiefly within the country. Therefore, while actively opening foreign markets, it is imperative to intensively have the domestic markets of the province's products achieve development. Efforts should be made to broaden the marketing rate of local products and particularly of famous-trade-mark ones. We should accelerate the development of markets for various commodities. A good job should be continuously done in perfecting the markets for the products of north China's timber, petrochemical industries in Daqing city, the province's machine-building and electric industries, light industries, and of dairy farms, as well as in improving the operation of these markets. We should concentrate our efforts on developing or fostering the markets of essential factors of production and take a new step in developing the markets of funds, labor forces, technologies, information, real estate, and property rights.

#### **Deeply Enforce the Strategic Principle of "Having Science and Education Make the Province Prosperous," Upgrade in an Overall Way the Province's Economic Quality**

A good job should be done in implementing or promoting the "overall plan for the medium stage of having science and education make the province prosperous". By regarding the thorough reform in the systems of the economy, science and technology, and education as a main aspect in the strategy, as well as the vigorous development of high-and-new-tech industries and relying on science and technology to achieve extra development of township enterprises as two flanks, we should conduct integration between promoting the strategy as a whole and making a breakthrough in the key aspects of the strategy and concentrate the forces of various circles to enforce in an organized and planned manner some key projects and items that are exerting influence as well as should establish some demonstration zones in this regard. We should give priority to having science and education make industries

prosperous and deepen the enforcement of having science and education make agriculture prosperous. Efforts should be made to increase the input in science, technology, and education at multiple levels and through multiple channels and to reinforce the strength of supporting the strategy of having science and technology make the province prosperous.

We should adopt realistic measures to promote the scientific and technological progress. Efforts should be made to accelerate the development of high and new technologies and of industries of these technologies. A good job should be done in further improving the management over the development zones of high-and-new-tech industries in Harbin and Daqing. Cities and prefectures that have conditions in development may establish their high and new technical parks and their large and medium-sized enterprises may establish their high and new technical corners. Efforts should be made to accelerate the pace of turning the scientific and technical results into practical productive forces. In line with the principle of applying the advanced technologies to equipping various industries and trades in the national economy, we should emphatically deal with the pressing problems cropping up in developing agriculture with high yield, fine quality, and high benefits; conducting the technical renovations of enterprises; turning the military industrial technologies into civilian industrial ones; and in assimilating and creating something new in the imported foreign advanced technologies. We should support or encourage the scientific research units to coordinate with enterprises in conducting technical development and guide the state-owned large and medium-sized enterprises to gradually become the main bodies of scientific and technological development. We should also encourage or support individuals to operate the institutions of scientific and technological research, vigorously foster technical markets, develop technical intermediary organizations, and realistically protect the intellectual property rights.

We should continue to put education in a strategic position for development on a priority basis. Both reform and development depend on improvement of the quality of all our people. Governments at all levels should conscientiously implement the "outlines of China's educational reform and development" and the "PRC teachers law," accelerate educational development and reform of the education system, and raise the quality of education and the efficiency of running schools. We should intensify elementary education and greatly develop vocational and technical education and adult education. We should encourage pooling of funds from all quarters of society to run schools and establishment of nongovernmental schools. We should deepen rural and urban overall educational reform and facilitate the overall planning and integration of "agriculture, science, and education" and "economy, science, and education." We should optimize the structure of higher education and particularly develop a number of disciplines urgently needed in Heilongjiang's

economic construction. We should fully develop the scientific and technological, intellectual, and technical advantages of schools of higher learning and secondary specialized schools. We should step up efforts to improve the contingents of teachers.

We should attach importance to and achieve success in the work related to trained personnel. We should do a better job in enforcing the provincial party committee and government's "several policy regulations on fully developing the functions of intellectuals to promote economic development" and establish a good practice of respecting knowledge and respecting trained personnel throughout society. We should make continuous efforts to improve the conditions for the work, study, and life of intellectuals. Intellectuals with outstanding contributions should be generously awarded. We should achieve success in stabilizing trained personnel and attract trained personnel from foreign countries and from outside the province with preferential policies.

#### **Persistently Pay Attention to Building the Socialist Spiritual Civilization and Facilitate Comprehensive Progress in Social Undertakings**

We should greatly facilitate building of the socialist spiritual civilization. Guided by Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line and firmly focusing on economic construction, which is the central task, we should advocate the major melody of this era and intensify the education on patriotism, collectivism, and socialism. We should conscientiously implement the principle that the "important aspect of the spiritual civilization is in building," carry out the activities to build civilized units in a down-to-earth manner, and provide spiritual impetus and intellectual support to establishment of the socialist market economy system. We should intensify the education on professional ethics, social morality, and family virtues, promote improvement of social conduct, and greatly upgrade people's ideology and morality and social morality.

We should strive to develop culture, press and publication, radio and television broadcasting, public healthy, sports, and science and technology. In doing cultural work, we should continue the orientation of making literature and art serve the people and serve socialism and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend," put improvement of social benefits in the first place, and strive to achieve unity between social benefits and economic efficiency. We should deepen the reform of the cultural system, make literary and art creation flourish, step up efforts to achieve progress in grass-roots culture, manage well the cultural market, and resolutely ban pornographic books and audio and video products and illegal publication. In press and publication work, we should comprehensively raise the quality of newspapers, magazines, pictures, books, and audio and video products in compliance with the demand for "upholding the orientation, managing according to law, deepening reform, and promoting development." In radio and television work, we should continue to develop the

spirit of solid work characterized by the endeavor "to become the best and the leader" and raise the quality and effective coverage of Heilongjiang's radio and television programs.

Press and propaganda work should be aimed at meticulously propagating the guidelines of the third plenary session of the 14th CPC Central Committee, the current economic situation of the province, and the achievements in reform and construction. Press and propaganda work should be oriented to correct guidance of the media. Social sciences units should take an active part in the practice of reform, opening up, and economic development and strengthen research and explorations for invigorating Heilongjiang's economy. Public health work should be focused on deepening the reform of operational mechanism of medical and health care units and on improving the quality of medical service. Emphasis should be placed on building the village-level hospitals in rural areas and spreading the primary health care service.

Good preparations should be made for the Third Winter Asian Games, and the hosting of the games should be regarded as the major event of the province. We should give wide publicity to the games among the people to enhance their sense of participation and the sense of playing the host. We should go all out to make preparations for the games.

Family planning, protection of cultivated land, and environmental protection constitute the basic policy of China. We should simultaneously grasp materials production and family planning and truly carry out the system of population quota responsibility. We should actually protect cultivated land and pay equal attention to management of resources and assets.

#### **Good Arrangements Should be Made for the Lives of the People To Promote and Ensure Social Stability**

On the basis of developing the economy, we should make great efforts to increase the actual income of urban and rural residents and improve the living standards and living quality of the people. Attention should be paid to resolving the people's difficulties in clothing, food, housing, transportation, attending kindergartens and schools, and medical treatment. Efforts should be made to increase various kinds of service, cultural, and recreational facilities and to enhance the level of urban management with a view to providing convenience for the people.

We should positively and appropriately press forward the pricing reform and resolutely control the hiking margin of the general level of commodity prices. We should further rationalize the relations among prices, successfully grasp the dynamics of the overall control over prices, carry out the declaration system for the record for the prices of daily necessities and service charges, strengthen guidance to and coordination of the prices of such daily necessities as grain, cooking oil, port, eggs, and vegetable. We should build well foodstuff bases and vegetable bases to enrich the people's "vegetable baskets."

We should show concern over the weal and woe of the people in poor areas, vigorously promote the reform of housing system, actively press forward the reform of social security system, and further strengthen the comprehensive management of public security.

We should pay attention to the work related to nationalities, religion, overseas Chinese affairs, and foreign affairs. We should vigorously build the political power at the grass-roots level, reinforce the unity between the army and the government and between the army and the people, and mobilize the positive factors in all fields.

#### **Transform the Government Functions and Further Improve the Style of Work**

We should actively and appropriately accelerate the reform of government organizations. This year, we should fulfill the task on reforming the organs directly under the provincial authorities, and successfully try out the reform of the organs at the county and township levels. The public service system should be popularized among state administrative organs. In organizational reform, we should attend to transforming the government functions.

We should establish and improve the provincial-level regulating and control system compatible with the market economy and meticulously organize implementation of the major reform of the planning and investment systems, financial and tax systems, and banking system. We should meet the needs of the market economy system, give play to the macroeconomic, strategic, and policy functions of plans, and intensify the research and formulation of long- and medium-term economic and social development plans, annual plans, and industrial policies. We should strengthen the tracing, analysis, supervision, examination, balancing, and coordination of economic operation to improve the overall environment for economic activities. In line with the principle of "making the grass-roots level prosper first before making the province prosper," we should apply the tax assignment system to the provincial financial system and strive to enable all quarters to gain benefits and increase vitality in the process of economic development on the premise that continuous enhancement of the state's financial resources is ensured. We should implement the state's monetary system and cultivate and improve the money markets.

Government departments at all levels should greatly advocate the practice of study, the practice of seeking truth from facts, and the practice of investigation and study. Study and mastery of the theories on the socialist market economy is an urgent task for us. We should create provincewide a vigorous atmosphere for the earnest study of the "Selected Works of Deng Xiaoping," the "decision" of the third plenary session of the 14th party Central Committee, and the basic knowledge on the market economy. We should conscientiously improve work styles and leadership methods, study more, attend fewer parties, conduct more investigation and study, avoid subjectivism, renounce empty talk in favor of practical work, learn about

the masses' desires and demands in a timely and accurate manner, and promote all work in a positive, steady, and down-to-earth manner.

Strictly managing government affairs and making unremitting efforts to build a clean government constitute a basic task to build political power and also an important guarantee for the smooth promotion of reform and development. We should continue to carry out the three tasks of the anticorruption struggle put forward by the party Central Committee, do a better job in maintaining the honesty and self-discipline of leading cadres, resolutely oppose and guard against unhealthy trends, conscientiously investigate and handle major and serious cases, strictly investigate and handle the cases on serious bureaucracy and dereliction of duty, which have caused great losses to the state, and conscientiously address the important issues that seriously affect the government-populace ties and social development.

We should strengthen democracy and the legal system. The provincial government will designate some dates to receive people's deputies and special telephone lines to establish ties with them in order to listen to and handle their criticisms and suggestions. We will take the initiative in strengthening ties with the CPPCC, democratic parties, and people's organizations and attach full importance to their functions of political consultation and democratic supervision. We will establish and improve the democratic and scientific policy-making systems, attach importance to and develop the role of research and consulting institutions and experts, and promote democratic politics. Governments at all levels must learn to apply the legal means to manage the economy and society.

#### **Heilongjiang Procuratorate's Work Report**

*SK0104024094 Harbin HEILONGJIANG RIBAO  
in Chinese 7 Mar 94 p 3*

[“Excerpts” of the work report of the Heilongjiang Provincial People's Procuratorate made by Yu Wanling, chief procurator of the provincial people's procuratorate, at the second session of the eighth provincial people's congress—date not given]

[Text] Fellow deputies:

Now, I am going to deliver a report on the 1993 work situation of the procuratorial organs across the province and the 1994 work arrangements to the session for examinations.

#### **I. The Basic Procuratorial Work Situation in 1993**

Under the leadership of the supreme procuratorate and the provincial party committee, under the supervision of the people's congress standing committees at various levels, and with the support of the governments, in 1993, the procuratorial organs at various levels conscientiously implemented the guidelines of the 14th party congress, the third plenary session of the 14th party Central Committee, the party Central Committee's instructions on waging the anticorruption struggle, and

the resolutions on the work report of the provincial procuratorate as adopted at the first session of the eighth provincial people's congress; positively engaged themselves in the anticorruption struggle; dealt strict blows to the corrosive elements who were indulged in corruption and malpractice and serious criminal offenders; strengthened the self-construction of the procurator contingents; better fulfilled the anticorruption tasks; and made new progress in the procuratorial work in other aspects.

#### **A. Major Achievements in Procuratorial Work**

a. The procuratorial organs sternly punished the economic criminals, including those engaged in corruption and bribery, and forcefully promoted the deep progress of the anticorruption struggle. The procuratorial organs across the province accepted and handled 6,039 economic cases of various categories, put 3,777 cases on file, and investigated and concluded 3,478 cases or 82.2 percent. A total of 95.448 million yuan of economic losses were retrieved, an increase of 33,588,600 yuan over the previous year.

We resolutely implemented the party Central Committee's unified arrangement for waging the anticorruption struggle; constantly focused our efforts on investigating and handling cases of corruption and bribery, the criminal cases of four major departments, and major and appalling cases; and made noticeable achievements. Of the economic criminal cases that were put on file for investigation, 1,877 were cases of corruption and bribery, accounting for 49.69 percent of the total. A total of 1,818 cases each involving 10,000 yuan or more were put on file for investigation, an increase of 46.97 percent. Of this, nine were extraordinarily serious cases each involving more than 1 million yuan (six were cases of diverting public funds for other use and three were cases of corruption.) Sixty-three cases involving the cadres at or above the county and section level were put on file for investigation (three were cases involving the cadres at or above the department level), an increase of 57.5 percent over the previous year. A total of 158 criminal cases involving the four key departments were put on file for investigation.

We conscientiously implemented the central policy decision on strengthening the macroeconomic regulation and control and consolidating the financial order and dealt strict blows to the economic criminal offenders who disturbed and damaged the socialist market economic order. A total of 700 cases of tax evasion and tax resistance were put on file for investigation and 14,851,900 yuan of evaded taxes were withdrawn. Seventy-six cases of fake trademarks were placed on file for investigation, an increase of 22.58 percent over the previous year. A total

of 1,058 cases of diverting public funds for other uses were placed on file for investigation, an increase of 15.13 percent over the previous year. Sixty-two economic criminal cases of corruption, bribery, and diverting public funds for other uses were exposed on the monetary front and were placed on file for investigation. Simultaneously, we also paid attention to exposing some new-typed economic criminal activities. Simultaneously, we investigated and handled a number of cases of manufacturing and marketing fake and low-quality commodities, gaining export drawback by cheating, using public funds to "engage in stock speculation," and gaining huge property of unknown origin.

After the central authorities arranged the anti-corruption struggle, the procuratorial organs at various levels across the province strengthened the dynamics of attacking the economic criminal activities of corruption and bribery and made contributions to opposing the corruption. The number of cases that had been handled increased rapidly. From September to December, 1,436 economic criminal cases of various categories were placed on file for investigation, equal to 61.34 percent of the total figures in the previous eight months. Of this, 724 were cases each involving over 10,000 yuan, equal to 66.18 percent of the total figures in the previous eight months. Thirty-three cases were cases involving the cadres at or above the county and section level, equal to 110 percent of the total figures in the previous eight months. The procuratorial organs timely brought suits against and punished a number of corrosive elements. From September to December, the procuratorial organs brought actions against 351 economic criminals, equal to 36.79 percent of the total figures in the previous eight months.

- b. The procuratorial organs dealt strict blows to serious criminal activities and continued to maintain the prestige and effect of "strict blows." The procuratorial organs across the province accepted the reports on arresting 22,424 criminals and approved the arrest of 19,333 persons through examinations. We accepted the reports on bringing and canceling suits against 28,030 persons and brought suits against 19,273 persons through examinations.

We prominently dealt blows to serious activities; persistently got involved in advance; resolutely dealt blows to the violent criminal cases that seriously jeopardized social order and the lives and property of the people, habitual offenders, recidivist, and gangs of criminals with underworld nature. A total of 7,233 serious and extraordinarily serious criminals were arrested throughout the province and suits were brought against 4,380 persons. Cases relating to 6,703

persons were investigated before approvals for arrests and prosecution, accounting for 55.57 percent of the total serious and extraordinarily serious cases.

We positively participated in such special struggles as "spring offensive," "100-day fortified battle," "antithefts," and encirclement and elimination of "train marauding and waylaying." The procuratorial organs conscientiously implemented various overall examination measures and brought into play their roles in safeguarding the stability of social order.

We strengthened investigation, judgment, and supervision; timely set forth opinions on correcting such unlawful situations as not investigating the crimes and substituting fines for penalty; and protested, according to laws, the activities of leniently sentencing those who were guilty of serious crimes and pronouncing criminals not guilty. Decisions on not arresting 1,731 persons and not bringing actions against 197 criminals were made. Corrections were made on the decisions that 162 persons should have been arrested and suits should have been brought against 109 persons. The procuratorial organs protested 48 cases that had been judged wrongly.

- c. We further strengthened the examinations of the enforcement of laws and disciplines. The procuratorial organs across the province accepted 1,847 cases of violating laws and disciplines; and placed 978 cases on file for investigations, including 149 major and extraordinarily serious cases and showing an increase of 21.14 percent over the previous year. A total of 923 cases or 84.9 percent were concluded.

With the focus on investigating and handling cases of "five categories" and by regarding the cases of engaging in malpractice to seek private gains as the most serious cases, last year, we made the best achievements in history. A total of 852 cases of engaging in malpractice to seek private gains, exacting confession by means of torture, unlawfully taking into custody, neglecting duties, and creating accidents due to negligence were placed on file for investigations, accounting for 87.12 percent of the total cases that had been placed on file and showing an increase of 6.54 percentage point over the previous year. Of this, 26 were cases of seeking private gains by ill means, an increase of 62.5 percent over the previous year.

By eliminating interference and obstacles, we cracked a group of criminal cases relating to security and judicial personnel that the masses had strong complaints about. A total of 148 cases were placed on file, an increase of 64.44 percent over the previous year.

- d. The supervision over the work of jails was strengthened. Various jails were supervised according to laws. A total of 3,654 unlawful cases that took place in reformatories were corrected, and the correction rate reached 81.4 percent. Of this, we corrected 128 cases of illegally reducing penalty and unlawfully releasing on probation, 59 cases of relieving reform-through-education sentences and reducing set terms of sentences, 43 cases of seeking medical advice on bail, and more than 10 cases of wantonly collecting charges. We concentrated efforts to solve the problems that criminals were still detained after completion of their fixed terms of imprisonment; 1,639 of these kinds of cases were corrected. Thus, the number of the province's criminals that were detained after expiration of sentences was lower than the national average figure by 10.9 percentage point. Cases of 160 prisoners committing crimes again and 182 cases of prisoners and their families appealing to the higher levels and filing charges were handled. Twenty economic criminal and unlawful and undisciplined cases relating to cadres and policemen of supervisory centers and reformatories were investigated and handled.
- e. The accusation and report work was strengthened. The accusation and supervisory departments and the report centers brought into full play their roles as a "window" and a "bridge," accepted and handled 14,307 visitors and incoming letters from the masses, handled 64 visiting groups, accepted and handled 1,509 accusation cases, reexamined 31 cases, and changed the original decisions on 52 cases. We accepted and handled 12,984 cases whose clues were reported by the masses, an increase of 50.89 percent over the previous year. Of this, clues for 9,055 cases of corruption and bribery were accepted, an increase of 53.71 percent; and clues for 622 cases involving personnel at or above the county and section level were accepted, an increase of 181 percent over the previous year.
- f. The inspection of the civil and administrative work was strengthened. This was a new task and greatly helped promote the handling of cases. We accepted and handled 404 accusation cases, placed 131 cases on file, lodged protests against 23 cases, respectively, increasing by 134 percent, 208 percent, and 667 percent over the previous year; and made 58 suggestions on further inspections and changes of judgment, 10.6 times over the previous year's figure.

Our province made new achievements in the procuratorial work techniques and the procuratorial work in the agricultural, forestry, and railway aspects. Other overall departments also

positively brought their roles into play in ensuring and promoting the progress of their professional work.

#### B. Main Methods for Carrying Out the Procuratorial Work in 1993

- a. The procuratorial organs persisted in the accurate political orientation and ceaselessly deepened the guiding ideology of making the procuratorial work serve the economic construction.

Over the past year, we constantly stressed that the procuratorial organs at various levels must maintain an accurate political orientation, persisted in the basic line of "one center and two basic points," and served the central work of the party. After the 14th party congress, setting up and developing the socialist market economic system becomes the central task of the party. Under such a situation, according to the requirements of the supreme procuratorate, the provincial procuratorate persistently used Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics to arm their brains; focused the service of economic construction on strictly enforcing laws, firmly handling cases, and intensifying the functions for legal supervision; and ceaselessly deepened and developed the guiding ideology of the procuratorial work in practice. The procuratorial organs at various levels paid attention to accurately handling relations between attacks and service, between the enforcement of laws and the implementation of policies, and between putting work priorities in a prominent position and making a unified arrangement; firmly attended to the link of handling cases; and better brought into play their functions.

- b. The procuratorial organs strictly enforced laws, firmly attended to the principle of handling cases, and intensified their functions for legal supervision.

According to the Supreme Procuratorate's requirements and in line with the general ideologies of "strictly enforcing laws, firmly handling cases, and intensifying legal supervision," the procuratorial organs persistently regarded the handling of cases as the primary task and penetrated supervision into the entire process of the procuratorial work. Thus, there emerged a good situation where the procuratorial work was comprehensively developed. The procuratorial organs made the focal points stand out and firmly attended to handling cases. First, they grasped focal points. Second, they grasped the sources of the cases. Third, they attended to investigations. Fourth, they firmly attended to the system of responsibility for handling affairs. Fifth, they attended to giving guidance. Sixth,

they grasped service and the guarantee for rear service. The procuratorial organs strictly enforced laws and intensified supervision. First, they strengthened the awareness of supervision. Second, they intensified the functions for conducting supervision according to laws. Third, they intensified the supervision over security and judicial personnel. Fourth, they intensified the setup of the supervisory system. Fifth, they intensified the internal restriction; and focused their efforts on grasping the links of placing cases on files, exempting from lawsuits, and withdrawing cases. So, the number of cases exempting from lawsuits was greatly reduced. A total of 510 criminals engaged in corruption and bribery exempted from lawsuits, accounting for 34.65 percent of the total people and showing a decrease of 11.48 percent from the previous year.

c. The procuratorial organs persisted in the policy of taking a "two-hand" approach and strived to upgrade the quality of cadres and policemen.

In regard to the work arrangements and the leadership forces, we constantly persisted in the ideology of taking a two-hand approach and attended to both professional work tasks and the construction of the workers contingents. On the one hand, we attended to investigating and handling major and appalling economic criminal cases of corruption and bribery; on the other hand, we opposed corruption and advocated administrative honesty. So, our worker contingents experienced new tests and made new improvements. In regard to the construction of the leading bodies, we mainly strengthened the ideological construction and further improved the theoretical understanding and application abilities of the leading bodies. In regard to the improvement of the work style of the leading bodies, we conducted self-investigation and self-correction in line with the 13 prohibitions as set forth by the central authorities and the provincial party committee, also conscientiously made rectification and correction, and played an exemplary vanguard role. We strengthened the organizational construction, resolutely readjusted the leading bodies that were not unified, ensured to make decisions on major issues through democratic discussions and collective study, and strengthened the unity and combat effectiveness of the leading bodies. In regard to the construction of the leading bodies, we attended to the following four tasks: First, we strengthened the ideological and political work. Second, we attended to the training of cadres. Third, we paid attention to the consolidation of discipline. We strictly investigated and handled the small number of cadres and policemen violating laws and disciplines and corrected and

straightened out the problems of wantonly collecting charges, wantonly imposing fines, and wantonly collecting funds. Fourth, we positively launched the activities of striving to create new achievements. The organs under the provincial procuratorate launched the activities of striving for the best, creating first-grade achievements, making contributions and promoting the progress of the provincewide "double-emulation and double-comparison" activities and the spiritual civilization. A large group of advanced units and individuals emerged. Sixty-one institutions were commended as units advanced in spiritual civilization.

d. Procuratorial organs strengthened investigation and study and upgraded the quality of policy decisions

We regarded the investigation and study work as a basic work, went deep to reality to seek truth from facts, timely discovered and solved the new situation and new work problems, and made the policy decisions more scientific and democratic on the basis of investigation and study. Before making major work arrangement, the provincial procuratorate and the city procuratorial organs timely organized relevant departments to conduct investigation and study and make analysis and then worked out measures to arrange and guide the progress of the work.

e. Procuratorial organs strengthened leadership and gained the initiative in work

The procuratorial organs at various levels carried out the procuratorial work firmly under the leadership of the party, ceaselessly strengthened the sense of the party in waging the struggle against corruption, and conscientiously carried out the system of delivering work reports to the party committees at various levels and the system of reporting major cases. These organs persisted in the system of delivering work reports to the people's congresses and their standing committees, conscientiously made fiscal work reports and special work reports, timely reported on the major issues relating to the procuratorial work, resolutely implemented the resolutions of the people's congresses and their standing committees, conscientiously accepted supervision, prudently listened to the deputies' opinions on their inspection and assessment of the procuratorial work, and ceaselessly improved their work.

In 1993, the provincial procuratorial work situation was generally good. The province made greater achievements in the procuratorial work. However, some problems that could not be ignored still existed. Some procuratorial workers did not have correct law enforcement ideas, did not have a strong sense of service, were afraid of

difficulties, failed to emancipate the mind, and did not have the awareness of doing pioneering work and blazing new trails. Some weak links still existed. The quality of cadres and policemen did not suit the requirements of the situation. Some violated laws and disciplines and gained private gains when handling cases, thus producing extremely bad influence. The basic construction of the procuratorial work was comparatively weak. The communications and telecommunications facilities and the technological equipment were comparatively backward. All these restricted, to a certain extent, the progress of the procuratorial work.

## 2. General Arrangements for 1994 Procuratorial Work

Fellow deputies: The implementation of the "decision" adopted at the third plenary session of the 14th party Central Committee will produce a profound impact on the political, economic, and social activities and create some new contradictions and problems. The procuratorial workers are confronted with an extremely grim situation and more arduous tasks in the new situation. The procuratorial organs must fully understand the heavy historical tasks that they are taking on, work closely in line with the central link of economic construction, regard the investigation and handling of cases as the most important means to directly serve economic construction, and strive to make new development and improvement on the basis of the procuratorial work achievements made in the previous year. According to the arrangements of the Supreme Procuratorate, we will focus our efforts to attend to the work in the following four aspects:

- A. We should deeply study Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics and arm the heads of the entire cadres and policemen with this theory.

We should organize the broad masses of cadres and policemen to conscientiously study Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics, put the study of the theory in an important position of the ideological construction and the political and theoretical education, regard it as a key link of the ideological and political work. We should emphatically study and grasp the policy of taking "a two-hand approach and being sure that both hands are tough," the ideology on democracy and legal system, and a series of expositions of opposing corruption; enable the broad masses of cadres and policemen to have a firm determination to oppose corruption and deeply promote the improvement of administrative honesty. In line with the study of the "decision" of the third plenary session of the 14th party Central Committee, we should understand and grasp the essential special features, operational mechanisms, and policy measures of the socialist market

economy; and make the procuratorial work better serve economic construction.

- B. We should strictly enforce laws, firmly attend to the principles of handling cases, and further intensify the functions for legal supervision

We should concentrate energy to investigate and handle major and appalling cases and deeply and constantly wage the struggle against corruption. We should further upgrade the understanding about the importance of the anticorruption struggle and foster the idea of waging a long-term struggle. We should concentrate energy to investigate and handle major and appalling cases with the focus on the criminal cases relating to the working personnel of the party and political leading organs, judicial departments, administrative and law enforcement departments, and economic management departments. We should make a new breakthrough in investigating and handling major cases and resolutely investigate and handle, if discovered, the major cases involving the leading organs and the leading cadres at or above the county and section level. We should select typical cases and make key breakthroughs in dealing blows to the criminal activities of organs, organizations, enterprises, and institutions giving and accepting bribes and evading, resisting, and swindling taxes. We should continue to strengthen the dynamics of the propaganda on reporting criminal activities, timely achieve the report feedback work, and implement the encouragement policies. We should strengthen the coordinate command and coordination of the investigation work, strengthen the setup of information networks, and achieve the work of guarding against and pursuing and capturing those who commit crimes and abscond with public funds.

We should strictly deal blows to serious criminal activities and safeguard the social stability. We should implement the principle of strictly and rapidly dealing blows to criminal activities, persist in the "two basic" principles, get involved in the serious and extraordinarily serious criminal cases ahead of time, and timely approve to arrest and bring actions against criminals so as to stop the rising tendency of serious and extraordinarily serious cases. Under the leadership of the party committees, we should positively participate in the special struggles and conscientiously implement various measures for comprehensively improving the procuratorial work.

We should strengthen the supervision over the enforcement of laws and ensure the unified and accurate enforcement of laws. We should expand the investigation and supervision to the link of placing cases on file, strengthen the supervision over the activities of not listing cases or not appropriately listing cases, timely pursue to arrest and bring actions against criminal offenders, and realistically stop making mistakes or escaping unpunished.

We should pay prominent attention to the work of lodging protests and ensure the quality of the protests to be lodged. We should regard the inspections of the enforcement of laws and disciplines as an important task for waging the anticorruption struggle and promoting the strict enforcement of laws and prominently investigate and handle the cases of judicial personnel and administrative and law enforcement personnel abusing power to engage in malpractice, seeking private gains, and perverting justice for bribes. We should conscientiously solve the problems involving criminals who are still detained after completion of their set terms of imprisonments, not enforcing laws and regulations, and substituting money for penalty. We should persist in the principle of correcting all the mistakes and conscientiously investigate and handle the cases of not being submitted to the courts' judgments and rulings and the procuratorial organs' decisions on canceling lawsuits.

**C. We should strengthen the construction of the leading body contingents and upgrade the overall quality of the contingents**

It is necessary to realistically strengthen the construction of the leading bodies. The provincial procuratorate and various city branches should support the local party committees to readjust and strengthen the leading bodies so as to install well-organized and professionally competent leading bodies at various levels. We should strengthen the study among the central group of the leading party groups of the procuratorates at various levels and ceaselessly upgrade the political and theoretical levels of the leading bodies.

We should strengthen the construction of the reserve cadre contingents and upgrade the ability of the reserve cadres.

We should make efforts to upgrade the procuratorial worker contingents' quality and their law enforcement levels. The procuratorial organs are units where the organizational reform is strengthened. When adding new personnel, the procuratorial organs should persist in principles to ensure the quality of newly added personnel. We should persistently regard the training of cadres as a long-term strategic task, pay attention to cultivating cadres and having them temper themselves in the course of practice, and cultivate a group of specialized talents in the course of handling cases.

We should further upgrade the understanding about the importance of the anticorruption struggle, strengthen the awareness of cadres and policemen's administrative honesty and self-discipline, pay attention to sorting out and correcting such unhealthy trends within trades as "seeking private gains in handling cases" and "stressing personnel relationship in handling cases," strictly investigate and

handle the unlawful and undisciplined phenomena that a small number of cadres and policemen violate laws and disciplines, and also investigate the wrongly handled cases by conscientiously implementing the system of being honest and diligent in performing official duties.

It is necessary to vigorously advocate the spiritual civilization. By 1996, the procuratorial departments across the province should strive to stand among the province's advanced departments emerging from the construction of civilized units. We should positively launch the activities of creating quality achievements as well as the "double-advanced" and assessment and comparison activities; and vigorously cultivate and foster advanced examples. We should achieve the basic construction, positively improve the communications and telecommunications facilities and investigation technical equipment to suit the procuratorial organs' demands for investigating and handling cases, and strengthen the guarantee for the supply of materials and the reserve service work.

**D. We should realistically strengthen leadership to suit the demands for setting up the socialist market economic system**

We should positively and actively accept the leadership of the party committees and the people's congress. Under the leadership of the party committees, we should independently exercise the procuratorial rights according to laws, positively and actively gain the leadership of the local party committees, and rely on the party committees to eliminate various obstacles. We should further consciously accept the supervision by the people's congresses; set up, perfect, and also conscientiously implement the report system; positively accept the inspections on enforcement of laws by the people's congress standing committees; and conscientiously handle the affairs handed over by the people's congresses. We should strive to gain the support and cooperation of the governments and the departments concerned and positively and effectively carry out the procuratorial work. The procuratorial organs at higher levels should strengthen the leadership over the organs at lower levels, assume responsibility to help the lower-level procuratorial organs solve their professional work problems, particularly the difficulties that come across when handling cases; support the lower-level procuratorial organs to justly enforce laws, and ensure to conduct the legal supervision in a constant and step-by-step manner.

**Fellow deputies:** In the new situation, the tasks we are taking on are heavy and arduous. We are determined to conscientiously implement the resolutions of this session, strive to suit the requirements in the new situation and the new tasks, go all out, keep forging ahead, and make new contributions to setting up and developing the socialist market economic system.

### **Shaanxi Governor Delivers Government Work Report**

*HK0903051394 Xian Shaanxi People's Radio Network in Mandarin 0500 GMT 28 Feb 94*

[Excerpts] In his government work report to the second session of the eighth provincial people's congress, Governor Bai Qingcai indicated: The province's capital industry and infrastructure were augmented in 1993. Investment in fixed assets was 21.5 billion yuan, up 50.9 percent from the previous year, of which investment in state-owned capital construction was 10.1 billion yuan, up 55.4 percent, which was mainly put into capital industry and infrastructure. Investment in raw materials industry increased by 74.6 percent, investment in agriculture increased by 9.6 percent, investment in energy resources increased by 49.8 percent, investment in communications, transportation, post and telecommunications increased by 97.3 percent. [passage omitted]

In his report, Governor Bai Qingcai said: In 1994 it is imperative to grasp building capital industry and infrastructure with unremitting efforts to augment the staying power for development. The planned social investment in fixed assets is to be 27.5 billion yuan, up by 14 percent. [passage omitted]

The most conspicuous problem in building key projects remains the shortage of funds. It is imperative to try our best to collect construction funds through many channels. In collecting construction funds, it is necessary to make all sorts of funds available to localities to found the Shaanxi fund for developing capital industry and infrastructure. At the same time, it is necessary to face society and other provinces and encourage everyone to make joint investment to conduct infrastructure construction. It is especially necessary to utilize the share-holding system to collect funds, and to actively import foreign funds. On the one hand, foreign businessmen should be guided to directly invest in infrastructure and the building of capital industry; on the other hand, some stock ownership of some capital industry could be transferred to foreign businessmen, with the funds thus obtained put into capital construction. In this way, we can keep the funds rolling, accelerate the pace in building key projects, and augment our strength.

### **Shanxi Procuratorate Issues Work Report**

*HK3003151694 Taiyuan SHANXI RIBAO in Chinese 11 Mar 94 p 6*

[Shanxi Provincial People's Procuratorate work report (summary) delivered by Shanxi Chief Procurator Zuo Xiang before the Second Session of the Eighth Provincial People's Congress on 1 Mar

[Text] Deputies:

I will deliver to this session a report on the situation of procuratorial work in the province since the First Session of the Eighth Provincial People's Congress, and I ask for your examination.

**First, the CPC's wise decision on the anticorruption drive was resolutely implemented, and the struggle against corruption and bribery launched extensively.**

In 1993, especially after 21 August when General Secretary Jiang Zemin made the important speech on launching the struggle against corruption at the second plenary session of the Central Commission for Discipline Inspection, the procuratorial organs of various levels in our province followed the arrangements by the provincial party committee and the Supreme People's Procuratorate, and viewed investigation into economic crimes such as corruption and bribery—especially serious cases—as the highest priority in procuratorial work; they organized work carefully and concentrated strength to investigate a number of economic crimes, such as corruption and bribery, scored certain results, and developed the role of procuratorial organs in the anticorruption drive. In 1993, the procuratorial organs in the whole province opened files to investigate 1,987 cases of economic crimes, such as corruption and bribery, which involved 2,282 persons, at present, 1,351 cases involving 1,571 persons have been closed, and 467 cases involving 543 persons have been handed over to law courts for prosecution. The retrieved stolen money and goods exceeded 30 million yuan.

—A number of big and serious cases were cracked. In 1993, the procuratorial organs in the whole province investigated 52 cases for which files were opened, and these cases involved 53 leading cadres at county and office levels, a 27 percent increase over 1992. Among these cases, four cases involved crimes committed by four cadres at the provincial department level. At the same time, new progress was made in the work of investigating big cases, each of which involved more than 10,000 yuan. A total of 1,284 cases, each of which involved more than 10,000 yuan, were probed and files were opened for them; this number accounted for 64 percent of all the cases for which files were opened, and showed a 48 percent increase over 1992. Among these cases, 936 cases involved 10,000-50,000 yuan, 179 cases 50,000-100,000 yuan, 137 cases 100,000-500,000 yuan, 13 cases 500,000 yuan to 1 million yuan, and 19 cases more than 1 million yuan.

—Relatively great progress was made in investigating economic crimes such as corruption and bribery in the "four major departments." In 1993, procuratorial organs in the whole province investigated 334 open-file cases of economic crimes, such as corruption and bribery, committed by personnel who worked in leading party and government, judicial, law enforcement and administrative, and economic management departments, and this number accounted for 16.8 percent of the total number of files opened. Among the cases, 95 cases were economic crimes committed within leading party and government departments.

—A number of cases of economic crimes such as tax evasion, refusal to pay tax, deception in tax payment, false trademarks, and so on, were handled. In 1993, procuratorial organs of various levels in the whole

province actively participated in special campaigns such as "crackdown on counterfeit items" and rectification of taxation; they coordinated closely with relevant departments and forcefully cracked down on criminal activities which disrupted the taxation order, infringed upon the rights of consumers, and seriously hindered normal operation of market mechanisms. Procuratorial organs in the whole province opened files to investigate a total of 472 cases such as tax evasion and refusal to pay tax, among these cases, 34 cases involved more than 100,000 yuan each, while 104 cases involved counterfeit trademarks. Use of tricks to deceive the state in order to get reimbursement of export taxes is a new form of crime which has emerged after the country carried out reforms of the taxation and foreign trade systems in recent years. Last year, the procuratorial organs in the whole province opened files to investigate 18 cases of collaboration between criminal elements and some corrupt elements in customs, taxation, and foreign trade departments who deceived the country into giving reimbursements; a total of 11 million yuan was retrieved.

—A number of serious economic criminals who had been at large were arrested. Over the past three years, among the cases of economic crimes for which files were opened for investigation by the procuratorial organs in our province, there were 48 criminals who were on the run, and among them an absolute majority carried huge sums of money. The procuratorial organs in the whole province adopted various measures to track them down, and now, 28 of them have been arrested, and a total of 2.5 million yuan of economic losses to the state and collectives has been recovered.

In the course of launching the struggle against corruption and bribery, we made a special effort to grasp the following three areas:

First, we took decisive measures to swiftly change the situation in which the number of files opened for economic crimes in the whole province rapidly decreased. In the first two months of last year, due to the influence of various reasons, the procuratorial organs in the whole province opened only 77 files, a 60.3 percent decrease compared with the same period of 1992. Among the cases for which the files were opened, there were only 43 cases which involved more than 10,000 yuan each, and this was a 39.4 percent decrease compared with the same period of last year. Among the 134 procuratorial organs in the whole province, 84 had no files opened for investigation into economic crimes. On the one hand, the phenomenon of corruption was spreading; on the other hand, the number of cases handled by us greatly decreased, and this was a very big gap. In light of this grim situation, the provincial procuratorate promptly reported the situation to the provincial party committee and the Supreme People's Procuratorate, and at the same time decisively adopted five measures: Carrying out investigations and surveys, thoroughly understanding the situation, and securing the initiative in guiding work; unifying understanding, overcoming fear of difficulties and slackened spirits; encouraging procurators of various levels to play the

"locomotive" role; grasping weak links, classifying problems for guidance, solving actual problems during investigation of cases; and enforcing the law strictly, to ensure quality during the handling of cases. As a result, we relatively swiftly changed the passive situation in which the number of files opened for economic crimes in the province rapidly decreased. By the end of July, all the procuratorial organs which had not opened files before, did have open files, and the number of files, as well as the number of big and serious cases in the whole province, began to rise month after month.

Second, we promptly transmitted, studied, and implemented the CPC Central Committee's important instruction on fighting decadence, and deepened the struggle against corruption and bribery. Since 21 August 1993, the provincial procuratorate has held an emergency meeting of heads of sub- and city procuratorates, as well as a provincial conference on fighting corruption and bribery done by the procuratorial organs in the whole province, to examine and adopt a series of resolute and forceful measures to deepen the struggle against corruption and bribery. 1) The broad masses of procuratorial cadres and police were organized to seriously study General Secretary Jiang's important speech and to deeply understand its spiritual essence; the CPC Central Committee's instruction on fighting decadence was used to unify everybody's minds; the broad masses of procuratorial cadres and police were given an enhanced sense of mission, responsibility, and urgency; and the ideological foundation for profoundly launching the struggle against corruption and bribery was laid. 2) The strength of reporting work was substantiated and boosted, reporting phone calls were promptly announced to society, and reports made by the masses of people were seriously handled. 3) Handling more and big cases, and in particular serious cases, was viewed as the main criterion for judging the result in work against decadence. More importance was attached to preliminary investigations into big and serious cases and efforts to do so were stepped up, strength was rationally used and coordinated, and the method of congregating crack forces to fight a war of annihilation, to crack down on key cases was adopted. Last year, the provincial procuratorate directly transferred personnel from other units to open files to investigate 14 big and influential cases which involved 17 persons. 4) The procurators of various levels played an exemplary role and they took the lead in investigating big and serious cases on the one hand, and on the other hand, gave full play to the role of leading groups in overall combat; regarding decisions on important problems and the work in investigation into big and serious cases, they insisted on collective research and decisions to avoid and reduce mistakes. 5) Leadership of upper-level procuratorates over lower-level procuratorates was further strengthened, and the provincial procuratorial system's ability to launch the struggle against corruption and bribery in terms of unified command and concerted effort was gradually improved. 6) Links with the discipline inspection commission, supervisory department, courts, and public security organs to exchange information and coordinate actions were strengthened. 7) Strict law

enforcement was always insisted upon, crimes were strictly distinguished from acts which were not criminal, and relations between crackdown and protection were properly handled. In the process of handling cases, attention was paid to safeguarding the legitimate rights of enterprises and legal persons to obtain the social effects of cracking down on crimes, protectin reform, and promoting economic development.

Third, a number of big and serious cases were promptly announced, to encourage the masses and promote profound development of the struggle against corruption and bribery. When the procuratorial organs in the whole province were making relatively great progress in the struggle against corruption and bribery, the provincial procuratorate held a news conference on 13 December 1993, to report on the progress of the struggle against corruption and bribery launched by the procuratorial organs in the whole province since 21 August, and revealed 20 big and serious cases of corruption and bribery crimes; this caused strong responses in society, further aroused the enthusiasm among the masses of people for fighting against corrupt elements, and enhanced the confidence and determination among the procuratorial cadres and police to launch the struggle against corruption and bribery.

**Second, serious criminal activities were severely cracked down on, and political stability and social tranquility was safeguarded.**

In 1993, the procuratorial organs in our province continued to view safeguarding political stability and social tranquility as an important duty, resolutely implemented the principle of "handling cases severely and swiftly," closely coordinated with the people's law courts and public security organs, harshly punished serious criminal elements who disrupted law and order, and diligently created a stable social environment for reform, opening up, and economic construction in the province. In 1993, the procuratorial organs in the whole province received requests from public security organs to arrest 15,965 persons, and after examination, approval was granted according to law to arrest 13,795 persons; they also received requests from public security organs to prosecute 14,773 persons, and after examination, prosecuted 12,299 persons. In the area of severely cracking down on serious criminal activities, we mainly grasped the following three tasks:

—Actively participating in special struggles and solving acute problems of public order. Since last March, the procuratorial organs in the whole province actively participated in the special struggle for encroaching and annihilating "highway robbers" according to unified arrangements in the whole province, scoring certain results. By the end of last year, procuratorial organs received requests from public security organs to arrest 796 "highway robbers" in 265 cases, and permission was

granted to arrest 728 of them in 246 cases, thus, the rampant criminal tendency of "highway robbery" was effectively checked. Since July, procuratorial organs in the whole province have enthusiastically joined the special struggle to rectify the law and order situation in rural areas and strike at hooligans and gangs. From July to September, procuratorial organs in the whole province arrested a total of 4,843 criminal elements of various kinds, and prosecuted 3,784 of them, obtaining good social effect.

—Key areas for crackdown were highlighted. Serious criminal activities which posed serious threat to law and order in the society and the people's lives and properties were severely punished. The procuratorial organs in the whole province always pointed the spearhead of struggle at seven kinds of serious criminal elements, namely murderers, robbers, rapists, culprits who used explosives, armed criminals, hooligans who caused nuisances, notorious thieves, and culprits who stole and destroyed facilities and materials for industrial and agricultural production, hitting particularly hard hooligans and gangs which collaborated with persons inside and outside the country, dominated a certain quarter, and had the nature of secret societies. When handling cases, the procuratorial organs of various levels upheld the principle of intervening in important criminal cases ahead of schedule and "clarifying basic facts and securing basic evidence," and grasped combat opportunities to quickly arrest and prosecute them, fully embodying the spirit of handling cases swiftly and giving harsh punishment. In 1993, the procuratorial organs in the whole province granted approval to arrest 4,827 serious criminal elements of these seven kinds, and prosecuted 3,775 of them. This has dealt a severe blow to the arrogance of serious criminal elements.

—While handling cases, organs actively participated in comprehensive rectification of public order. Procuratorial organs of various levels revealed crimes, educated the masses, and promoted legal system through appearing in courts to support prosecution. Last year, the procuratorial organs in the whole province sent personnel to courts to support prosecution of persons in 6,640 criminal cases, and issued 5,584 prosecution letters. Responding to problems existing in the units in which cases took place, they issued 1,253 "letters suggesting inspection and supervision." Regarding personnel who got prosecution waivers, public announcements were made. Regarding the situation of enforcement in the areas of exercising control over personnel, of stripping them of their political rights, of suspending penalties, of giving parole, and of allowing them to be bailed out for medical treatment, the procuratorial organs carried out frequent inspections and supervision. Many procuratorial organs carried out investigation and research into crime prevention measures, and publicized legal system.

**Third, full play was given to the role of procuratorial organs in enforcing law and discipline and, according to law, handling cases of infringement of citizens' democratic and personal rights, as well as cases of dereliction of duty.**

In 1993, procuratorial organs in our province always put investigation of crimes such as "infringement of rights" and dereliction of duty in an important position within procuratorial work, and further strengthened work in enforcing law and discipline. Procuratorial organs in the whole province investigated 1,046 cases of "infringement of rights" and dereliction of duty for which files were opened, arrested 224 culprits according to law, and instituted proceedings against 337 persons. Through handling cases, procuratorial organs retrieved economic losses of 1.59 million yuan for the state and collectives. In the process of investigating crimes such as "infringement of rights" and dereliction of duty, we mainly grasped the following four tasks:

—The emphasis was on investigating crimes such as malpractice and favoritism, use of torture to extort confessions, and illegal detention which were committed by judicial, administrative, and law enforcement personnel, and which caused strong grievances among the masses. Procuratorial organs in the whole province opened files to investigate 206 cases of these three kinds of crimes, and this figure accounted for 19.7 percent of the files opened for investigation into law and discipline enforcement units. For example, Ning Haide, chief of the public security bureau in Linyi County bent the law for private interests and practiced fraud; Shen Yugen, chief of the public security bureau in Xinzhou City harbored criminals who cheated others; their cases were promptly handled, and good social effects were obtained.

—Cases of responsibility for serious accidents were actively investigated. Our province is a base of energy and heavy and chemical industries, and coal production is the pillar industry supporting the economy in our province. However, because some localities did not pay attention to safe production, serious accidents continuously happened in the coal mines during recent years, causing not only deaths and injuries, but also great economic losses and adverse effects on the development of production. The procuratorial organs in the province always viewed investigation into cases of responsibility for serious accidents as an important task of enforcing law and discipline, and they opened files to investigate 442 cases of responsibility for serious accidents.

—Cases of negligence in commercial and trading activities were handled seriously. Procuratorial organs in the whole province opened files to investigate into 142 cases of this kind. These cases caused direct economic losses of 13.5 million yuan to the state and collectives.

—Cases of undermining elections were solemnly handled. In 1993, the people's congresses of various levels in the whole province held elections because terms expired, and the procuratorial organs in our province paid earnest attention to this matter and, in pursuance of the law, investigated 14 cases of crimes which undermined elections, so as to safeguard smooth work in elections.

**Fourth, law was strictly enforced, procuratorial undertakings were thoroughly launched, and the function of legal supervision was strengthened.**

Enforcing law strictly is the central link of legal system building. Strengthening legal supervision and promoting strict law enforcement is the basic duty entrusted by law to procuratorial organs. In 1993, adhering to the work principle of "enforcing law strictly and making strenuous efforts to handle cases," the procuratorial organs in our province firmly grasped the acute problem of not enforcing law strictly and firmly grasped typical cases, to launch legal supervision work.

—A key effort was made to correct the situation of "ineffective crackdown," and work seriously launched to supervise investigation and judgment. At the same time they severely cracked down on serious criminal activities, procuratorial organs in the whole province ceaselessly strengthened the sense of supervision and seriously fulfilled the duty of supervising investigation and judgment in various links such as examining requests and granting approvals for arrests, examining prosecutions, and appearing in courts to support the process of instituting proceedings. First, they supervised correction of issues such as not requesting arrests of those who should be arrested, substituting fines for jail terms, and so on. The procuratorial organs ordered the arrests of 169 various criminal elements who had not been arrested; they also reinstated proceedings against 95 criminal elements who had committed crimes and should have had their criminal responsibilities pursued, but were sent to education-through-labor camps or given only public order punishment or other forms of treatment. Second, they raised defense for 80 cases which truly had wrong judgments and verdicts, and among these cases 19 have now been closed, with 10 persons in 10 cases getting corrected verdicts. Third, they issued 168 "notices on correcting lawbreaking deeds" aimed at the unlawful behavior in the course of investigation and judgment, and orally gave opinions 1,068 times concerning correction.

—Emphasizing the handling of cases of crimes in detention and reform-through-labor facilities and stressing correction of lawbreaking activities, procuratorial organs launched work in detention and reform-through-labor facilities. The procuratorial organs in the whole province brought to court 60 cases involving 75 persons who had committed crimes again while under detention; and handled 72 cases, which involved 72 persons, of complaints and appeals by the detained and their relatives and consequently, they opened files to investigate 12 cases of crimes committed by 13 prison cadres and personnel. Responding to the situation of random charges collected by the detention and reform-through labor facilities when performing formalities for reduction of term, parole, and medical treatment outside jail, procuratorial organs carried out special investigations, and offered concrete procuratorial suggestions, enabling some problems to be promptly corrected.

—Emphasizing investigation into appeals against charges, procuratorial organs launched work in appeals against charges. Procuratorial organs in the whole province received 1,522 visitors who had complaints, received 6,196 letters from the masses, investigated into 398 cases of appeals against charges, handled 33 cases of bigamy, and properly settled 47 cases of visits by groups of people, thus defusing possible intensification of conflicts. Procuratorial organs in the whole province actively launched activities of civilized reception, and 85 percent of the reception rooms charged with the duty of receiving complaints against charges have basically reached the standard of a civilized reception room prescribed by the Supreme People's Procuratorate. The reception rooms for receiving complaints against charges in Hejin County and Linfen City were granted the title of "civilized reception room" within the nationwide procuratorial system by the Supreme People's Procuratorate.

—Emphasizing the work in complaints against verdicts on civil and administrative cases, and the cases for which obviously unfair verdicts were given, procuratorial organs launched work aimed at civil and administrative cases. The procuratorial organs in the whole province accepted, according to law, 295 cases of complaints against verdicts on civil, economic, and administrative cases. After examination, 12 cases of complaints against charges were put forward, and the law courts agreed to retry them; at present two cases have obtained different verdicts.

—Emphasizing development of forensic verification and examination of documents, procuratorial organs launched technical work. They examined 3,356 cases of various kinds, inspected 884 on-the-spot scenes, and scrutinized 217 documents; among the cases, 34 had the original appraisals amended, and a total of 1,428 legal documents of various kinds was produced to provide scientific basis for determining the correct nature of cases being handled.

#### **Fifth, strict principles for running procuratorial organs, and strengthened building of procuratorial contingent were upheld.**

In 1993, the procuratorial organs of various levels in our province continued to profoundly launch ideological and political work which had procuratorial characteristics; they insisted on building procuratorial organs according to law, upheld strict principles for building procuratorial organs, and further strengthened their own, ideological, organizational, and styles building.

—Procuratorial organs were run on strict principles, and anticorruption work was strengthened within the procuratorial contingent itself.

Under the unified arrangement by the provincial procuratorate, cadres at and above office levels in the procuratorial organs in the whole province strictly used the "five instructions" given by the CPC Central Committee, the "10 no's" announced by the provincial party committee

and government, and "procuratorial personnel discipline," to carry out serious self-inspection and self-correction. Procuratorial organs in the whole province handled a total of five cases of violation of law and discipline by police, involving five persons, among whom two were pursued for their criminal responsibility. At the same time, according to the relevant regulations, the problem of random collection of fees by procuratorial organs and of procuratorial organs running companies, were sorted out and rectified.

—Local party committees were actively helped to do work in appointing new procurators as the terms of old procurators expired. Provincial, sub-, and city procuratorates took the initiative in coordinating with the provincial party committee and, according to the "four qualities" standard and the principle of having both integrity and ability, selected a number of young comrades who are comparatively mature politically and have higher educational attainment for positions in the leading groups of the procuratorial organs of various levels. Work in appointing new procurators as the terms of the old procurators expired was smoothly accomplished, thus enabling the old group to hand over duties to the new group.

—Activities in "struggling for excellence" were vigorously launched. Under the conditions that their duties were arduous and their tasks difficult, the broad masses of procuratorial cadres and police developed the revolutionary spirit of tenacious struggle and selfless dedication, and survived the exercises and tests in the struggle against corruption. A number of advanced collectives and staff, who would enforce law impartially and handle things honestly, has emerged. Last year, in the whole province, 43 procuratorial cadres and police and 19 collectives were commended by the Supreme People's Procuratorate and the provincial party committee and government; and 66 advanced collectives and 243 advanced staff were commended by the provincial procuratorate.

—Work was launched in educating and training procuratorial cadres in various styles and through various channels. The procuratorial organs in our province further strengthened education and used available resources to launch various kinds of short-term and on-the-job training. More than 500 procuratorial cadres and police took part in self-study and examinations organized by the Law University, and more than 1,300 procuratorial cadres and police took part in the second-phase certificate course on procuratorial studies. Procuratorial organs in the whole province organized 60 training classes and forums of various types to train 1,800 procuratorial cadres and police. The knowledge structure of the procuratorial contingent was further improved, and the professional quality of procuratorial cadres and police was upgraded.

**Shandong Government Work Report**

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[Shandong government work report delivered by Zhao Zhihao, governor of Shandong, at the second session of the eighth provincial people's congress on 28 February]

[Text] Fellow deputies:

On behalf of the provincial people's government, I will now present a government work report to this session for discussion. Members of the Chinese People's Political Consultative Conference [CPPCC], other personnel attending as observers please give your opinions.

**1. Shandong Fulfilled the Second 100-Percent-Increase Target of the Economy Ahead of Schedule in 1993 To Lay a Foundation for Basically Achieving Modernization.**

The past year was one when Shandong's reform, opening up, and modernization drive were further accelerated and other undertakings developed vigorously. Under the leadership of the party Central Committee, the State Council, and the provincial party committee, governments at all levels united and led the people across the province to conscientiously implement the guidelines of Comrade Deng Xiaoping's important speeches and the 14th party congress, to resolutely carry out the series of central principles, policies, and measures for deepening reform, speeding up development, and strengthening and improving macroeconomic regulation and control, to make earnest efforts to do practical work, to go all out to pioneer the way forward, and to successfully fulfill the 1993 work tasks defined at the first session of the eighth provincial people's congress. An encouraging situation characterized by economic development, political stability, unity of the people, and social progress emerged province-wide.

We maintained the good trend of rapid development in the economy and achieved increases basically at the same pace in growth rate and efficiency. The annual gross domestic product totaled 270.09 billion yuan, up 24.2 percent from the preceding year, marking the largest annual increase since reform and opening up started. The rural economy developed in all sectors, with agricultural output value totaling 99.4 billion yuan, up 14.3 percent; grain output hit an all-time high despite catastrophic disasters to reach 41 million tonnes; and forestry, animal husbandry, sideline production, fishery, and township enterprises grew at a high speed. Industrial production registered a substantial increase and improved efficiency, with output value totaling 598 billion yuan, up 57.2 percent. Industrial enterprises at and above the township level registered a 35.7-percent growth rate, increased the marketing rate of their products to 95.9 percent, achieved a 43.2-percent increase in profits and taxes, and made their overall index of economic efficiency 98.7 percent, up 8.7 percentage points. The Jinan-Qingdao Expressway,

the first-phase work of Qingdao's Qianwan Port, the Dongming Bridge across Huang He, and other key construction projects were completed and commissioned to further improve infrastructural facilities and the investment climate and effect a new change in urban and rural outlook. The financial situation took a turn for the better, and revenues increased by a large margin. Shandong's local revenue totaled 19.44 billion yuan, up 38.8 percent, thus achieving a balance between the revenue and the expenditure of the year. Markets thrive. Retail sales of commodities totaled 99.38 billion yuan, up 24.8 percent, and the retail price index rose by 10.7 percent. Living standards were further improved. Urban people's per capita cost of living income was 2,338 yuan, and peasants' per capita net income was 953 yuan, up 11.1 and 6.1 percent, respectively, when allowing for price rises. Urban and rural people's savings deposits showed an increase of 23.4 billion yuan over the figure registered at the beginning of the year.

We facilitated overall reform and opening up, which played a notably greater role in promoting development. All levels in the province emancipated the mind, sought truth from facts, and began to develop in both range and quality the reform designed to establish the socialist market economy system. By implementing the "enterprise law" and "regulations," enterprises made new headway in transforming their operating mechanism. A major breakthrough was achieved in the experiment with the shareholding system. Shareholding enterprises at and above the county level throughout the province increased to 1,101 of which five had their shares listed; and shareholding cooperatives increased to 59,000. We stepped up efforts to establish the market system and the social security system, added impetus to the price reform, and further deepened reforms in the macroeconomic regulation and control system. Reform of government organizations and the transformation of government functions was accelerated. The reform of organizations at county and township levels was basically completed. Enough preparations were made for the reform of organizations at the provincial, city, and prefectural levels. The level of opening to the outside world was enhanced, and the scale expanded. The number of cities that established friendly ties with foreign cities reached 50, and grass-roots non-governmental units that established friendly ties with foreign units reached 119. Foreign economic relations and trade developed further. Import and export trade rose substantially. The province as a whole earned \$5.98 billion in foreign exchange from exports, an increase of 27.1 percent over 1992. In 1993, a total of 8,012 foreign-invested projects were approved, an increase of 72.3 percent; and a total of \$2.26 billion in foreign funds were actually utilized, up by 64.2 percent. A marked increase was effected in infrastructure, tertiary industry, and projects with a huge amount of investment and advanced technology. Of these projects, 257 each involved \$10 million yuan in investment. New

headway was made in international economic cooperation, the contracting of labor service abroad, and tourism.

New progress was made in science, technology, education, and other social undertakings, and the building of the spiritual civilization was enhanced continuously. In 1993, the province achieved a total of 2,858 major scientific research results and popularized and applied 2,263 results. Construction of high and new technology development zones was accelerated. All levels and all kinds of education developed in a relatively rapid manner. The enrollment rate of school-age children was 98.7 percent, and the number of students attending ordinary institutions of higher learning increased by 22,000 persons and reached 152,000 persons. Adult education and workers' education were valued and a good beginning was made in encouraging society to run adult and workers' education. Family planning witnessed a remarkable result. The natural population growth rate was dropped to 3.71 per thousand, and the rate of family planning was enhanced to 88.4 percent. Environmental protection and land management were strengthened. New results were achieved in culture, public health, sports, press and publication, radio, film, television, social welfare, nationalities, religion, Taiwan affairs, overseas Chinese affairs, aged people, history, and archives. The building of democracy and the legal system was strengthened. Severe blows were dealt to all kinds of crimes. Comprehensive management of social order was strengthened, and social order was relatively good. Remarkable results were achieved in dealing blows to smuggling. The anti-corruption campaign was deepened gradually and soundly. Of the total 5,856 cases of various kinds were investigated and handled, 382 were major and appalling cases, and of the 3,974 cadres who were punished, 44 were at or above the county and section levels. The sense of being clean and honest and being strict with oneself was strengthened at cadre levels. The spreading trend of some negative and corrupt phenomena was checked at the start. This basically met the anticipated demands of the central authorities and the provincial party committee.

Fellow deputies, here I want to happily announce the fact that thanks to the arduous work of the people throughout the province over the past dozen of years, the GNP in 1993 was already 4.3 times that in 1980, fulfilling the quadrupling task 7 years ahead of schedule, and successfully accomplishing the first-step development objective of the province's three-step strategy. This shows that the province's modernization has embarked on a new period. This is a great historical achievement that all the people in the province can be proud of!

In the review and summary of government work in the past year, we paid attention to the following several points:

First, we kept a clear head and positively and soundly strengthened and improved overall control. All levels of

governments in the province conscientiously implemented the guidelines of the central instructions, combined overall control with the invigoration of the economy to resolve the contradictions and problems emerging in economic development, and made great efforts to deepen reform, thus effecting a series of basic changes in economic life. Confusion in the financial order, that once existed has taken a noticeable turn for the better. The trend of investment in fixed assets increasing at an excessively rapid speed was brought under control. The phenomenon of providing "IOU" notes to farm and sideline produce sellers was basically eliminated. Not only was the macroeconomic environment improved but the high national economic growth trend continued to be maintained. Second, in line with the implementation of the "3321" project, we paid firm attention to the weak links and upgraded the quality of economic operation. We concentrated capital to ensure the development of a group of key technological transformation projects. The investment in technological transformation increased by 79 percent during the year. We continued to relax policies and vigorously developed the tertiary industry and the private and individual sectors of the economy. The increase rate of the tertiary industry reached 32.5 percent. The proportion of the individual and private sectors of the economy in the economy of the province rose. Economically powerful counties and townships continued to bring their leading roles into play. The province had 11 counties (cities and districts) each creating over 10 billion yuan in industrial and agricultural output value. Nine counties with financial subsidies comprehensively experimented with reform and opening up. The areas where the economy was not well developed further enhanced their development vitality. Great headway was made in building Shandong on the sea and developing the Huang He delta. Third, we paid attention to persisting in the principle of taking a two-hands approach and being sure that both hands are tough in strengthening the work in the ideological and political sphere. The broad masses of cadres and people were organized to conscientiously study the third volume of the "Selected Works of Deng Xiaoping" and the guidelines of the third plenary session of the 14th party Central Committee, attended to both ideological and political work and economic work, further emancipated the mind, and were mobilized with enthusiasm. We persistently did administrative work according to laws and accelerated the pace of making economic laws. Nine local rules and regulations were reported to the provincial people's congress and its standing committee for examinations and approvals and 16 regulations of the provincial government were issued. The education on national defense and the militia reserve service was strengthened. We positively launched the activities of supporting the army and giving preferential treatment to families of revolutionary martyrs and servicemen, supporting the government and cherishing the people, and mobilizing the army and the people to develop spiritual civilization. Thus, the unity between the army and the government and between the army and the people was

further consolidated. Fourth, we further changed the functions, intensified service, and strengthened the self-construction of governments. All levels paid attention to linking the central policies and principles with the local actual conditions, strengthened investigation and study, firmly attended to the implementation of policies and principles, and upgraded the policy-making level and the work efficiency to a new height. We conscientiously solved the problems of wantonly collecting funds, apportioning expenses, and collecting charges that the grass roots and the masses had strong complaints on and corrected the unhealthy trends within trades. We adopted effective measures to reduce the peasants' burdens. The provincial government formulated regulations to cancel 75 items on collecting charges. Simultaneously, all cities, prefectures, and counties canceled a number of charge collection items. What we should especially point out is: Some localities across the province were hit by extraordinarily serious floods and waterlogging disasters last summer. The party Central Committee and the State Council showed cordial concern to us. The broad masses of cadres and people in the disastrous areas were mobilized to combat the disasters and provide relief on their own. The officers and men of the People's Liberation Army units and the armed police forces were fighting in the forefront of dealing with the emergency. All localities and units and the broad masses of cadres and people donated more than 100 million yuan worth of money and materials and helped the disastrous people restore production and rebuild their houses. A magnificent song was composed. Practice showed again that as long as we unite as one and fight in a unified way, we will overcome all difficulties and be ever-victorious.

Fellow deputies, although we achieved great achievements in our province's various undertakings last year, we still have to face many difficulties and restraining factors in the course of development. The agricultural foundation is weak, the comparable returns are low, cotton production has greatly declined, the burdens of peasants in some localities have remained heavy, and the increase in the actual income of peasants is not rapid. The progress of economic structural readjustment is slow, the advantages for developing leading industries have not been formed, brand-name and competitive products are few in number, and tertiary industry has remained a prominent and weak aspect. The problem of low economic efficiency has not been fundamentally tackled, some enterprises are poorly managed, deficits have increased, and the efficiency of funds is not high. The problem of uneven regional economic development is quite prominent, some localities in the western part of the province have to face many difficulties in economic development, the corrupt phenomena of using public funds for wining and dining and sending gifts, using public funds for travelling, engaging in extravagance and waste, and abusing one's powers to seek personal gains still exist in some localities and units and among a small number of people. There are some public security problems which we must

not neglect. The number of major and appalling cases have increased in some localities, some repulsive social phenomena have become frequent occurrences, and serious smuggling activities have occurred in some coastal areas, bringing great harm to the province. We must pay great attention to these problems and rely on the great support and active participation of the people across the province and various social sectors to solve them more rapidly and successfully.

## 2. We Should Clearly Define This Year's Principles and Tasks for Economic and Social Development and Push the Modernization Drive to a New Stage

The year 1994 is an important year for reaching the Eighth Five-Year Plan ahead of schedule on the basis of achieving a 300 percent increase in Shandong's economy and accelerating the establishment of the socialist market economic structure, therefore, the reform and development tasks will be very arduous. To analyze the economic development trend and international and domestic conditions, we realize that we are facing not only a good opportunity but also a severe challenge. After two years of rapid development, some conditions for economic development have been used and some new restraining factors have emerged. However, a new group of basic industries and infrastructure facilities have started to show efficiency; the steady increase in investment and consumption will expand market demands; the opportunity for international trade and investment and cooperation will noticeably increase, and, in particular, the issuance of a series of important reform measures will greatly strengthen the vitality for economic development. Judging from the overall situation, our province still has conditions for maintaining a fairly rapid economic growth, and will face hard-earned good opportunity for reform and development for a considerable long period of time to come. We must seize the opportune moments to push the modernization drive to new heights. Meanwhile, we should remain clear-headed to note that competition at home and abroad becomes increasingly intense, and that we are in a crucial period for reform and development, during which no progress or small progress means retrogression. In the new year, in line with the general demand for "seizing the opportunity, deepening reform, opening wider, promoting development, and maintaining stability" as put forward by the party Central Committee, we should take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guide, thoroughly implement the guidelines of the 14th party congress, the third plenary session of the 14th party Central Committee, and the sixth provincial party congress, persistently emancipate the mind and seek truth from facts, facilitate reform in an all-round manner, open wider to the outside world, accelerate scientific and technological progress, greatly adjust the structure, improve economic efficiency, achieve substantial progress in establishing the basic framework for

the socialist market economy system, maintain sustained, rapid, and healthy economic development, and promote social stability and overall progress.

The basic tasks of our economic and social development for this year are as follows:

We should maintain sustained, rapid, and healthy economic development. We should take economic construction as the central task, firmly embrace the guiding thought that "development is the essential criterion," do our best, act according to our capacity, and greatly develop any item for which there is a market, has good efficiency, is good in structure, has full capacity for sustained development, and is export-oriented. After taking all factors into consideration, we plan to arrange a 12-percent increase in the gross domestic product, which, translated, will be a 4-percent increase in the primary industry, a 13-percent increase in the secondary industry, and an 18-percent increase in the tertiary industry.

We should make a substantial step in reform and opening up. Following the state's unified arrangements and focusing on establishing the modern enterprise system and promoting the reform of the financial, tax, banking, investment, foreign trade, housing, state property management systems, we should conduct reform in rural areas and in social security, science and technology, education, and culture in a coordinated manner and do a good job in establishing the market system. We should speed up the integration with the international economy and make our economy more export-oriented. We should make the growth rate in exports for earning foreign exchange higher than that in the entire economy to reach 16 percent, and efforts should be exerted to make it 20 percent. We should strive to increase the three newly approved types of foreign-funded enterprises to over 10,000 and to increase by more than 50 percent the actual amount of foreign capital used in the year.

We should improve the entire quality of the national economy to a new level. We should correctly handle relations between growth rate, structure, and efficiency and improve the quality of economic development. We should continue to adjust the proportions of the primary, secondary, and tertiary industries and their respective structures and, while strengthening the primary industry and improving the secondary industry, greatly expand the tertiary industry to increase its proportion to the gross domestic product by 2 percentage points. We should restructure investment, increase the investment in energy, transportation, telecommunications, water conservancy, and other basic industries, and greatly increase the proportion of the investment in technical transformation. We should strive to raise economic efficiency and achieve a 20-percent increase in the profits and taxes of the industrial enterprises at and above the township level, a 6-percent increase in labor productivity, and a 10-percent increase in revenue.

It is necessary to promote coordinated economic development of the eastern and western parts of the province. We should further implement the principle of the eastern and western parts of the province making concerted efforts to develop together and learn from each other's advantages. The eastern area should upgrade standing and technological levels and promote the development of the economy along with the requirements for high layers and export orientation. The western area should continue to vitalize itself, go all out to seek prosperity, define development ideas, accurately select breakthrough points, further lay a good foundation, expand the scale of development, and make improvements. In the course of deepening reform, we should study and formulate the new ideas and methods for helping the economically underdeveloped areas in the financial and tax, monetary, and investment spheres by providing them with skilled persons; expand the dynamics of support; and conscientiously attend to the implementation of these new ideas and methods. The number of economically underdeveloped counties whose trial reform and opening up are directly grasped by the province should increase to 25. These counties should be supported simultaneously by economically powerful counties and provincial-level departments. The remaining economically underdeveloped counties should be assisted by cities and prefectures to which they belong. Through overall support measures, we should promote rapid development of the western area.

It is necessary to comprehensively develop all social undertakings. It is necessary to handle the relationship between economic growth and social development; pay attention to spiritual civilization; and promote the fast development of scientific and technological, educational, and cultural undertakings. Achievements in family planning work are necessary. The natural population growth rate should be controlled within 6 per thousand. Achievements in work for the elderly are necessary. On the basis of developing the economy, we should continue to improve the people's livelihood. The per capita spendable income of urbanites and the net income of peasants should respectively increase by 18 percent and 16 percent.

It is necessary to continuously maintain social stability. Stability is a necessary condition for economic development and smooth reform. So, we must conscientiously handle the relationship between stability, development, and reform. The work in these three aspects should equally be taken into consideration and promote one another. In carrying out the reform that is closely related to the benefits of the masses, we should take into full consideration the capacity of all fronts and steadily and positively promote reform. It is necessary to control currency inflation and to keep price hikes under 10 percent or so. We should pay attention to and appropriately handle hotly-debated issues and difficulties that the masses are concerned with, alleviate various kinds of contradictions, keep social stability, and create a relaxed environment for reform and development.

**3. We Should Further Intensify Agriculture's Role as the Foundation of the National Economy, Optimize Structure, Upgrade Efficiency, and Promote Faster and Better Economic Development.**

To fulfill 1994's economic and social development tasks, we must make unified arrangements, make focal points stand out, and focus our efforts to grasping the work in the following eight spheres:

**A. We should intensify agriculture's role as the foundation of the national economy and comprehensively develop the rural economy.**

Agriculture, rural areas, and the peasants are great issues related to economic development, the improvement of the people's livelihood, and social stability. All levels should firmly foster the strategic idea of taking agriculture as the foundation of the national economy, stabilize the basic policies toward the rural areas, deepen rural reform, focus agricultural and rural work tasks on increasing the peasants' income and the supply of farm products, positively promote intensive farming, and accelerate the development of the rural economy according to market demands and the modernization of the rural economy.

We should continue to readjust rural economic structure and vigorously develop high-yield, good-quality, and highly efficient agriculture and market agriculture. Grain output increased by a big margin last year. This year, we should strengthen measures and strive to maintain the 1993 grain production volume or register a slight increase. We should exert great efforts to change the cotton production decrease situation, further perfect policies, realistically solve the problems in the links from growing to purchasing, assign cotton sown areas, increase per unit yield, and ensure that the cotton production will restore to the normal level as soon as possible. We should continue to comprehensively develop agriculture and a diversified economy; vigorously develop animal husbandry, aquatic product industry, and forest fruit industry; and increase their proportion in the total agricultural output value. We should accelerate the cultivation of rural markets and guide peasants to organize production in line with the demands of the market economy and the orientation of specialization and industrialization. It is necessary to further improve the rural socialized service system, organize the establishment of "dragon-head" enterprises and production bases, and accelerate the building of storage, processing, and circulation facilities for farm products. We should conscientiously grasp the "nonstaple foods" project and improve urban and rural market supply.

We should increase investment in agriculture, science, and technology. The investment in agriculture and the amount of agriculture-oriented funds and loans should show an increase over the previous

year. We should develop and improve the foundation for rural cooperation and extend the rural shareholding cooperative system from the secondary industry to the primary and tertiary industries. Strenuous efforts should be made in farmland capital construction with water conservancy as the focus, in alleviating the contradiction of the shortage of water resources, doing a good job in managing water diversion and storage projects, paying attention to saving water, accelerating the harnessing of key rivers and the reinforcement of dangerous reservoirs, and further improving production conditions. We should continue to support the poor areas and accelerate the pace of making poverty-stricken areas shake off poverty and become prosperous; combine agriculture with science and education, actively invigorate agriculture with science and education, strengthen the ranks of scientific and technical workers in rural areas, improve rural science and technology dissemination network and service organs, and accelerate the development, popularization, and application of high and new agricultural technology; support and protect agriculture-oriented industry and do a good job in organizing and supplying the agricultural means of production.

We should gradually resolve the problem of low comparative returns in agriculture. Beginning from the time when new grain and cotton are distributed for sale in the markets, we should raise the grain purchasing price and the cotton contract purchasing price; strengthen management over the prices of major means of production for agricultural use; establish the grain and oil-bearing crops storage system and the grain and oil-bearing crops risk-taking fund system; persist in making unremitting efforts to reduce the burdens of peasants, overcome the lax mood, strengthen supervision and inspection, and guarantee that relevant central and provincial stipulations will be implemented where needed.

We should strive to simultaneously increase the rate and efficiency of township enterprises. With the comprehensive promotion of the shareholding cooperative system as the emphasis, we should make use of the advantage of the flexible mechanism of township enterprises to lay a foundation for township enterprises to come to the fore for the second time. We should persist in giving simultaneous attention to development and improvement, encourage and guide township enterprises to cooperate with large enterprises, scientific research units, and institutions of higher learning, adopt new technology, and raise technology quality and product grade; encourage and guide township enterprises to strengthen scientific management and carry out intensive management; encourage and guide township enterprises to introduce foreign capital and to conduct grafting and transformation, actively participate in international competition, and increase

foreign exchange earnings through export; and encourage and guide them to optimize the organization structure, develop enterprise groups, and raise the efficiency of scale. It is necessary to combine development of township enterprises with the establishment of small cities and towns, promote the transfer of rural labor forces, and accelerate the process of integrating urban and rural areas.

- B. We should regard technological progress, structural readjustment, and strengthening of management as the main orientation and raise the overall quality of industry and competitive ability.

Based on our advantage of producing finished products, we should accelerate technological transformation to bring along readjustment and optimization of industrial structure and the updating and upgrading of all products. The provincial authorities will continue to grasp the 100 key technological transformation projects, support 50 large and medium-sized enterprises to establish technology development centers and intermediate experimental bases, enable specialized scientific research organs to enter enterprise groups in a planned and step-by-step manner, and make key products enter a higher grade and key industries enter a higher level. All localities should carry out a number of key technological transformation projects. Guided by the market, we should implement the "product project" and "brand-name strategy," give priority to developing a number of competitive products with good prospects, expand mass production, strive to gain initiative when patterns of consumption change, and strive to make more products gain footholds in the domestic and international markets and be very competitive with a larger market share in an effort to bring along the formation of new leading industries. We should continue to actively develop enterprise groups, encourage enterprise amalgamation and cooperation, expand the scale, improve functions, intensify their radiation and stimulation power, and promote the readjustment of the organizational structure of enterprises.

Focusing on improving economic efficiency, we should carry out in-depth activities of increasing production, practicing economy, increasing income, and reducing expenses and strengthen enterprise management. We should improve basic work and strictly enforce labor discipline and various regulations and systems to comprehensively improve enterprise quality. We should strengthen technical supervision to further upgrade product quality. We should reduce production costs to the minimum and speed up the turnover of funds. We should attach importance to and achieve success in production safety and eliminate hidden danger to reduce job-related accidents. We should tap enterprises' internal potential, emphasize the work to end deficits and increase profits, help major loss makers on

a priority basis, and adopt comprehensive measures to help them end deficits within a fixed time.

We should approach the work to explore the market and strengthen sales from a strategic viewpoint, attach importance to it, put promotion of sales in the leading position in organizing industrial production, improve the contingents of advertising and sales personnel, and stabilize and improve sales promotion policies to raise the marketing rate of our industrial products to the country's advanced level.

- C. We should further lift control to invigorate and greatly develop the tertiary industry.

The development level of the tertiary industry is an important indicator of the modernization level. We should continue to relax policies, persistently develop state-owned, collective, individual, private, and foreign-funded economies simultaneously, develop urban and rural areas simultaneously, establish development mechanisms whereby various ownerships coexistent and are full of vigor, achieve a substantial step forward each year, and make the growth rate of the tertiary industry notably higher than that of the entire economy.

We should further intensify construction of infrastructural facilities to meet the need for accelerating development. We should improve transportation and telecommunications development plans and build a number of large key projects based on a high starting point to gradually alleviate "bottleneck" restrictions. At present, we should step up the establishment of local shareholding aviation companies, open more air routes and flight services, especially do a good job in improving auxiliary facilities and management of the Jinan and Qingdao Airports, and be determined to change Shandong's backward aviation undertakings.

Without a perfect market to serve as the carrier, great development of the market economy will be out of the question. We should further enliven commodity distribution and expedite the building of commercial units, with the focus on building a number of large and high-grade commercial and service facilities with a strong radiating capacity. We should develop and improve the market system more expeditiously, with the focus on developing the markets for money, technology, labor forces, property rights, information, and other essential elements of production, and greatly develop accountants', lawyers', and auditors' offices and notarial, property appraisal, and other intermediary service organizations. We should strengthen market management, encourage competition, and resolutely crack down on manipulation of the market, production of fake and inferior products, and other illegal activities. As Shandong's real estate business is still in its initial stages of development, we should

strengthen guidance on it, standardize its development and exchange activities, and facilitate its rapid and healthy development.

- D. We should implement the strategy of promotion through the export-oriented economy in an all-round manner and develop the export-oriented economy.

Opening to the outside world is an important way to improve the overall quality of the economy and accelerate the modernization drive, and only with large-scale opening up can we achieve large-scale development. We should make continuous efforts to emancipate the mind and have the courage to compete internationally. We should enhance the sense of overall opening up, expand overseas propaganda, further improve the investment climate, accelerate the process to integrate with the international economy, and promote faster and better development in Shandong's economy.

We should stimulate the enthusiasm of all quarters and adopt every means to expand exports. We should actively implement the strategy of diversifying the market and winning through quality, accelerate the adjustment of the export commodity mix, develop imports and exports simultaneously, expand the scale through good efficiency, ensure good efficiency through the scale, increase export capacity, and enhance the strength for sustained development. Integrated industrial and foreign trade companies outside the province should continue to play their role as the major force, and cities, prefectures, counties, and enterprises with decision-making power in exports should also apply pressure on themselves and hold the responsibility for earning more foreign exchange for the state. We should organize a number of enterprise groups to integrate industrial, agricultural, commercial, and technological enterprises with foreign trade enterprises. We should regard the export of foreign-funded enterprises as the focus of our endeavor to expand export and strive to increase its proportion to the total export of the province by more than 10 percentage points over the preceding year.

We should invite traders and bring in capital from all directions and on a large scale, widen the investment sphere, and increase overall economic results. We should intensify the orientation guiding industrial policies; focus on inviting traders and bringing in capital for the technological transformation and the graft transformation of existing large and medium-sized enterprises, basic industries, and leading industries; and make a breakthrough in developing large projects. The province should continue to simplify the procedures for handling affairs, upgrade the efficiency of handling affairs, also set up a system of management of key projects involving foreign capital and a system of dividing administrative levels to hold talks with foreign traders, decide

to hold regular economic and trade symposiums attended by traders from Taiwan and the ROK, and strive to make great achievements in using foreign capital. We should particularly pay attention to increasing the amount of capital that has been put in place, the number of projects involving foreign capital, and the foreign exchange earnings through exports. We should strengthen, according to law, the management of the enterprises with foreign investment. We should make efforts to run well the economic and technological development zones and bonded areas and bring into better play their "show-window," experimental, and influential functions. We should bring into full play the role of the Singapore-Shandong economic and trade council to make great realistic achievements in promoting the mutual economic and trade cooperation and to further invite more foreign businessmen and bring in more foreign capital from other countries.

We should positively pioneer international economic and technological cooperation spheres. We should reform and perfect the management of overseas contract projects and labor service cooperation, make efforts to upgrade the layers of cooperation, and increase economic results. We should steadily develop overseas investment, encourage the running of various types of overseas enterprises, and gradually perfect the province's overseas networks for promotion of sales, capital circulation, technological cooperation, and information.

- E. We should optimize the investment structure and ensure the construction of key projects.

Maintaining a reasonable scale of investment in fixed assets and rationalizing the fixed assets investment structure is an important condition for making fast and highly efficient economic development. The investment in fixed assets of society is planned at 110 billion yuan, an increase of 26 percent over the previous year. Of this, the investment in capital construction of local state-owned units should increase by 36 percent and the investment in equipment renewal and technological transformation should increase by 54 percent. We should strengthen the regulation and control of the investment in fixed assets and link the expansion of scale with the optimization of structure; concentrate energy to ensure the construction of key projects; realistically develop energy resources, transportation, postal and telecommunications, and water conservation facilities; vigorously cultivate leading industries and new high technology industries, and accelerate the construction of Shandong on the sea and the development of Huang He delta. This year, the province should grasp the construction of the Shandong section of the Beijing-Jiulong railway line, the Jinan-Handan railway line, the Jinan-Dezhou high-grade highway, the Jinan-Liaocheng high-grade highway, coastal ports, and the power projects with 1 million kw installed capacity. We should adopt forms to

conduct cooperation with domestic large enterprises and use foreign capital to build iron and steel and vehicle industrial projects. Technological transformation should realistically be regarded as a strategic measure. It is necessary to increase the proportion of investment in technological transformation; to mainly rely on science and technology; to persist in high starting points, high standing, and high efficiency; and neither to increase input nor to develop low-quality projects. The strain on capital is a prominent factor restricting the investment in fixed assets, particularly the construction of key projects. We should extensively open channels for capital, adopt flexible forms to circulate capital, and attract increasingly more foreign traders and social investment.

**F. We should realistically increase revenues and reduce expenditures and ensure a balance between revenues and expenditures.**

After the setup of the new financial and tax system, whether or not revenues can be increased in a sustained and steady manner and the province can strike a balance between revenues and expenditures is a great matter that will effect economic development and the social stability. Last year, there were some incomparable factors for the higher increase in the province's revenues, and simultaneously, the basic figures of expenditures relatively increased. This year, the revenue increase tendency is relatively weakened, and there are great difficulties in balancing revenues and expenditures. To suit the changes in the revenue structure after the implementation of the tax assignment system on the basis of a rational division of power between central and local authorities, we should set up, as soon as possible, the local financial resource system with great and stable reserve strength; strengthen the management of tax revenues according to law; and strive to increase revenues. We should pay particular attention to achieving the work of turning enterprises' deficits into profits, which is closely related to the local revenues and regard the development of the tertiary industry as an important factor for increasing revenues. We should strictly enforce financial and economic discipline, manage the extra-budgetary funds well, and make good use of them. In financial expenditure, we should give priority to guaranteeing wages for personnel and the basic maintenance funds, and increase input in agriculture, science, technology, education, and public security. It is necessary to promote the spirit of managing all undertakings diligently and thrifitly, reduce normal administrative expenditure, expand the reform measures on the use of expenditure and on optimizing the structure, and guarantee a balance between financial revenue and expenditure during the year. Places where the financial situation is fairly good should further strengthen financial and taxation work and make new contributions to steadily

increasing the whole province's financial revenue. Places with difficult financial situation should study and explore ways to accelerate economic development and to increase financial revenue under the new systems, and extricate themselves from a difficult position as quickly as possible.

**G. We should continue to regard science, technology, and education as a matter of strategic importance and comprehensively implement the principle of "invigorating Shandong with science and education."**

On the basis of building a new mechanism which is closely integrated with the economy and compatible with the self-development law, we should also deepen reform of the scientific and technological system. It is necessary to accelerate the development of technology markets, further decontrol scientific research units and their personnel, encourage people-run scientific and technological enterprises to turn themselves into high-technology and export-oriented enterprise groups. We should strengthen basic research, applied technology research, and popularization of scientific and technological findings, and raise our province's comprehensive scientific and technological level. Efforts should be made to comprehensively implement the project on invigorating agriculture, industry, aquatic product industry, tertiary industry, and high and new technology industry with science and technology, manage the high and new technological development zone well, and strengthen the pulling force for economic growth. We should strengthen the establishment of scientific and technological development and popularization networks, encourage areas with favorable conditions, key enterprises, and large enterprises to establish all sorts of technology development and popularization centers.

We should comprehensively implement the "outline on China's educational reform and development," deepen reform of the educational system, and form a pattern with government efforts to run schools as the mainstay while pooling the efforts of all social sectors to jointly or cooperatively run schools. It is necessary to optimize the structure, improve the teaching content and methods, and raise educational quality, working efficiency, and the efficiency of running schools; actively implement nine-year compulsory education, pay attention to raising the school entrance rate of school-age children in the poverty-stricken areas, reduce the number of drop-outs, and gradually wipe out illiteracy among young people and people in the prime of life. Active efforts should be made to develop vocational education, adult education, and special education, pay attention to training on science, technology and professional skills among workers and peasants, and enhance the scientific, technological, and cultural quality of all laborers. In higher education, we should regard internal upgrading as the main task

and run more schools to cultivate more good and qualified specialized personnel. We should conscientiously implement the "teachers' law," raise the quality and status of teachers, gradually improve their working and living conditions, and allow no delay of wages for teachers. We should strengthen management and check the unhealthy trend of unwarranted pooling of funds, arbitrary requisition of donations and exaction of fees.

H. We should strictly control population growth and strengthen environment protection and land management.

It is necessary to unswervingly grasp the three basic national policies and unceasingly make new progress in this aspect. Continued efforts should be made to firmly grasp family planning work, conscientiously implement the principle of "paying main attention to propaganda and education, to regular work, and to contraception," strictly implement the system of assuming responsibility over the management of the population target, strengthen the management of family planning of rural population and transients, promote healthy births and healthy upbringing, control population, and raise the population quality. We should enhance the sense of environment of all the people, strictly enforce environmental protection laws and regulations, perfect the responsibility system, and strengthen supervision and inspection. Continued efforts should be made to implement the principle of "simultaneously designing, building and putting into operation the main construction project and pollution prevention facilities," accelerate the disposal of "three industrial wastes," improve the key polluted areas and the polluted sources in the southern four lakes, Xiaoqing He, and Dongping Lake, pay attention to resolving the air pollution problems in Jinan and other major cities, and attend to preventing and disposing inshore pollution. We should comprehensively improve the urban and rural environment, do a good job in protecting and using water and soil resources, firmly grasp tree planting and afforestation, guard against soil erosion, strengthen the building and development of nature reserves, and further improve the ecological environment. It is necessary to earnestly implement the "land management law," reform the land utilization system, cultivate and standardize the land market, realistically manage and use the land well, and forbid the arbitrary occupation of cultivated land.

4. Press Package Reform Forward, Make Breakthroughs in Major Areas, and Accelerate the Establishment of a Socialist Market Economic Structure

Reform constitutes the biggest motivation to accelerate development. The third plenary session of the 14th CPC Central Committee adopted the "decision on some issues concerning the establishment of a socialist market economic structure" and sketched the basic framework and

development process for the new structure. This indicates that the reform has entered the stage of resolving the most difficult problems for the establishment of the new structure. Located in the coastal area, with a relatively good economic foundation, Shandong is one of China's key areas opened to the outside world, and thus it also has the conditions necessary to establish the basic framework of the socialist market economic structure in advance. This year, a key year for the establishment of the new structure, the central authorities have decided to set forth a series of major reform measures that are unprecedented in depth, scale, and dynamics. Profoundly implementing the central authorities' "decision" and the provincial party committee's "opinions on implementing the decision" and energetically pressing forward all items of reform are the most important tasks for the government work this year. All levels of governments in the province should further enhance the sense of responsibility and the sense of urgency, combine the package reform with the breakthroughs in key areas, seek unity in understanding and actions, and do a solid job to win victory in reform.

A. Enterprise Reform

Enterprise reform is the core of the reform as a whole. The orientation of enterprise reform is to establish a modern enterprise system that meets the essential requirements of the market economy and in which the property rights, as well as the rights and responsibilities of enterprises, are clearly defined, government administration and enterprise management are separated, and scientific management is established. This year, we should continue to conscientiously implement the "enterprise law," the "regulations," the "general rule on financial affairs of enterprises," and the "criterion for accounting of enterprises." We should strive to make breakthroughs in changing the operational mechanism of enterprises.

The reform of property right system constitutes the major foundation for the establishment of the modern enterprise system. We should gradually bring the relations of property rights of state-owned enterprises into better balance. In line with the principles of state ownership, graded administration, division of work and supervision, and enterprise management, we should make an inventory and check of the stockpiles and capital of enterprises, define property rights, appraise assets, clarify debts receivable and debts payable, and verify the property shared by enterprises as legal entities. We should establish and perfect the state-owned property management organs and experiment on the system of appointing someone to assume responsibility for management of assets and appointing someone to supervise the management of assets. We should positively explore reasonable forms and effective ways to manage and operate state-owned assets with a view to changing the poor management and plugging losses of state-owned assets and to maintaining and adding the value of the assets.

We should positively explore specific ways to establish the modern enterprise system. In accordance with the "enterprise law," we should turn state-owned enterprises, large and medium-sized enterprises in particular, into corporations in groups and by stages. The enterprises with the nature of monopoly can be reorganized as the state-owned wholly invested limited-liability corporations. Most enterprises of competitive trades can be reorganized as the limited-liability corporations whose shares are owned by the state and by several other legal entities. We should choose a small number of large and medium-sized enterprises that net more profits and conform to the industrial policy, and then directly reorganize them as limited-liability companies whose shares are purchased by the state. This year, the province will choose 50 enterprises to try out the modern enterprise system. At the same time, the province will continue to profoundly carry out and perfect the reform of labor, employment, and distribution systems and expand the scale of the experiments for the shareholding system. Among small state-owned enterprises, the shareholding cooperative system should be popularized. Some small state-owned enterprises can be reorganized through the methods of incorporation, leasing, and auctioning. A small number of enterprises that have no possibility of halting deficits and whose assets cannot cover their debts can be declared bankrupt according to law. The enterprises initiated from now on should all carry out new operational mechanism according to new standards.

In the course of persistently regarding the publicly owned economy as the mainstay, we should continue to encourage the free development of the individual, private, and cooperative sectors of the economy and create a social environment characterized with equal competition and common development for all sectors of the economy in the fields of policy, law, and media.

#### B. Reform of the Financial and Tax Systems

Changing the revenue responsibility system into a revenue-sharing system to suit the needs of the socialist market economy will help bring into better balance the relations between the state, the localities, and the enterprises in terms of distribution and will also change Shandong's financial capacity and structure. All levels should take the overall situation into account and facilitate the reform of the financial and tax systems in an active and prudent manner.

We should further clarify the financial authority of the province and cities and prefectures and establish a new revenue distribution system compatible with Shandong's reality. In compliance with the central authorities' basic principles for and requirements on the provincial financial system, we should unify the provincial methods for revenue division and

transfer payment of tax revenues and strengthen the provincial-level necessary macroeconomic regulating and controlling capacity to boost the enthusiasm of all localities for increasing revenues and reducing expenditures. To build the basic framework of the revenue-sharing system in an active and prudent manner, we will implement the old and the new systems simultaneously this year, continuing the subsidies, delivery to higher authorities, and some final accountings of the original system to maintain the vested interest of various sectors. Regarding the tax categories of the province, as well as cities and prefectures, the original pattern will basically remain unchanged except for the revenues to be handed over to the central authorities so that the province, as well as cities and prefectures, will have their own major tax categories and all levels will have steadily increasing sources of revenues.

We should facilitate the reform of the tax system in an active and prudent manner and enhance the tax regulating and controlling function. We should implement the principle of "unifying tax laws, levying taxes fairly, simplifying the tax system, and sharing power in a rational manner," conscientiously enforce the state's tax laws and regulations, and use the local tax legislation authority to establish a local tax collection system conducive to economic development. We should improve the tax collection and management work, actively popularize the tax payment report system and tax affairs agent system, and establish a strict auditing system. In line with the principle of stabilizing the contingent and helping the development of undertakings, we should do a good job in establishing branch offices of tax organizations and establish a management system under which state and local tax organizations coordinate and closely cooperate with each other.

Beginning this year, all state-owned enterprises should implement the new profit distribution system. A good job should be done in linking it with the contract system, and transitional methods should be applied to the enterprises whose contracts have not expired. We should formulate new policies to help enterprises handle their hidden deficits and get rid of their burdens.

#### C. Reform of the Banking System

A success in the banking work is very important to Shandong's economic development. Governments at all levels should support and coordinate with the reform of the banking system, establish the new banking system more rapidly, and effectively distribute and flexibly lend funds. Implementation of the credit policy should be combined with that of industrial policy, and all monetary organizations should be guided to arrange and use credit funds focusing on Shandong's economic development plan and priorities and in a rational manner, to speed up

the turnover of funds, and to achieve unity in their own benefits and social benefits. We should strive for establishment of branch offices of relevant state monetary departments and establishment of foreign-funded banks in Shandong Province. We should make active efforts to organize urban and rural local cooperative banks. Based on rural credit cooperatives, we should first organize county joint cooperatives and then gradually build rural shareholding cooperative banks. Based on urban credit cooperatives, we should organize central cooperatives and then build urban cooperative banks group after group at different times. Cities and prefectures where conditions permit may carry out this work ahead of others. We should attach importance to and develop the role of commercial insurance and establish specialized and regional institutions to promote beneficial competition. We should improve local money-lending institutions, enhance their money-lending capacity, expand and improve the security and bond trading markets, and establish a complete money market system as soon as possible. In the reform of foreign exchange management, we should adopt effective measures to successfully regulate, collect, and use foreign exchange and use it on a priority basis in key construction projects, key technical transformation projects, agriculture-oriented projects, and scientific and technological projects. We should step up efforts to establish a new system of debt repayment funds to ensure timely repayment of foreign debts.

#### D. Reform of the Investment Structure

We should bring into full play the market mechanism's functions in the investment spheres and comprehensively implement the principle that "whoever makes investment and makes policy decisions should take risks." We should scientifically divide the rights to handling the investment affairs among the province, the city, prefectoral, and county governments, and enterprises. According to the projects' economic results and social benefits, we should define the main body of investment and the forms to circulate capital. The basic projects should mainly be invested by the governments in the form of collecting funds. The province should assume sole responsibility for the construction of transregional large key infrastructural facilities and basic industries that are related to the overall situation. The prefectoral, city, and county governments should collect funds to build the projects for themselves. The province should appropriately give subsidies to the economically underdeveloped areas. The public welfare projects that belong to the province should be undertaken by the province. Each level should undertake the projects of its own level. Enterprises play a key role in making investment in competitive projects, have decisionmaking power, and take risks by themselves. From now on, legal persons should be defined for construction projects. The legal persons should assume responsibility for the entire

process of making plans for projects, making investment, organizing construction, engaging in production and management, and returning loans and run risks for investment. According to the requirements for optimizing structures, developing leading industries, and cultivating financial resources and on the basis of scientific appraisals, we should select the projects with competitiveness, make positive efforts to gain state investment out of policy consideration, and attract investment by commercial banks.

#### E. Reform of the Foreign Trade System

According to the orientation of unified policies, decentralized management, equal competition, sole responsibility for profits and losses, combination of industry and trade, and implementation of the system whereby foreign trade corporations act as agents for other enterprises, we should set up, step-by-step, a new-typed foreign economic and trade system suitable to the development of the market economy and the international provisional regulations. It is necessary to reform the import and export management system, the system of issuing fixed quotas of licenses, and various examination and approval systems. We should strive to have increasingly more production and circulation enterprises gain external management rights; and set up a multilayered, multichanneled, and all-directional foreign trade pattern. We should set up an export encouragement mechanism, extensively carry out the method of "wages involving U.S. dollars," link distribution with foreign exchange earnings and economic results, and encourage to export more and create more foreign exchange. According to the ideas of institutionalization, industrialization, and internationalization, foreign trade enterprises should accelerate the implementation of the shareholding system and organize, as soon as possible, a large number of export-oriented enterprise groups. We should gradually reform the method of management of overseas enterprises, internationalize the circulation of capital, localize the management, and develop various professions. It is necessary to set up the export development fund, the risk-running fund, and the overseas enterprise development fund; and to promote a stable increase in creating foreign exchange through exports.

#### F. Price Reform

On the premise of maintaining a relative stability of the general goods prices and according to the principle of linking readjustment with decontrol, we should positively and steadily carry out the price reform and set up a perfect price mechanism mainly formed by markets. This year, we should emphatically reform the prices of energy resources and farm products, reduce the scale of prices fixed by the governments, and balance the prices of the small number of commodities whose prices are fixed by the governments and service charges. We should

strictly enforce the price discipline and carefully organize forces to implement the items on price reforms as arranged by the central authorities. No levels are allowed to raise prices or charges. We should try as soon as possible to stagger the time to implement the price reform measures formulated by the province, cities, and prefectures and by the central authorities to reduce social repercussions. As for the important commodities that have a bearing on the people's daily lives, we should set up a perfect storage system, a risk-running price fund system, and a regulation fund system to stabilize the prices of these commodities. We should intensify the monitoring of the general market price tendency and the prices of the people's basic daily necessities and the major farm products, strictly investigate and handle the units and individuals that wantonly raise prices and collect fees and charges, and realistically protect the legal rights and benefits of enterprises and the broad masses of consumers.

#### G. Reform of the Housing System

We should reform the old housing investment and distribution system and accelerate the pace of commercializing and socializing houses. This year we should give simultaneous attention to selling, renting, and building houses, enlarge the degree of reform on rent, and comprehensively promote the housing public accumulation fund system. Positive and reliable steps should be taken to sell public houses, rationally set the prices in line with the economic capacity of normal families, sell houses at a standard price, and gradually effect the transition of selling houses at a low-profit price. We should strictly implement the unified stipulations of the central and provincial authorities and prevent and check the practice of selling houses at a low price. It is necessary to raise the proportion of expenditure on rent of family income and gradually make the burden of rent approach or attain a rational level. Efforts should be made to comprehensively promote the housing public accumulation fund system and establish relevant management organs. All administrative units, enterprises, and institutions and their staff and workers should pay housing public accumulation funds in line with the principle of "saving funds personally with housing allowances from their own units and placing these funds under unified management for special use." We should pay attention to developing and building economy and useful houses and solve the housing problems of staff and workers with an average income.

#### H. Change of Government Functions and Organizational Reform

It is necessary to improve the relationship between the governments and enterprises in line with the principle of separating government functions from enterprise management. Governments should delegate the functions which are within the scope of

operational decisionmaking power to enterprises, shift the functions of resources allocation to the market, delegate some social service and supervisory functions to intermediary organs in the course of conducting economic activities, and make public and standardize and institutionalize the administrative functions and the examination and approval functions which they have retained. Governments at all levels should be good at applying economic, legal, and essential administrative means to manage the economy and social affairs, shift their main energy to macroeconomic regulation and control and overall coordination, to the building of infrastructure facilities, the establishment of social guarantee system, and the creation of a good development environment, and enhance their ability to control the market. This year, on the basis of consolidating the achievements of county and township organizational reform, we should comprehensively complete the provincial, city, and prefectural organizational reform and gradually implement the public service system. Through organizational reform, we may initially establish an applicable and highly efficient administrative management system with comprehensive functions, rational structure, and coordinated operation, and can promote the development of the socialist market economy in the province.

Under the new situation in which the market economic system is being accelerated, rapidly establishing and improving a multilayered socialist guarantee system is of great significance in promoting reform and development and maintaining social stability. In line with the current development of productive forces and our province's actual situation, we should fully mobilize the enthusiasm of all sectors according to the basic principle of "unified leadership, division of responsibility, each performing their own duties, and service throughout the whole course," and accelerate the establishment and improvement of the social guarantee system with enterprise labor insurance, rural old-age pension insurance, and social security insurance of organs, institutions, and units as the main aspect. Governments at all levels should accelerate the change of functions and render all sorts of support services; departments concerned should actively coordinate with the governments, maintain close cooperation with them, pay attention to working efficiency, build our province's social guarantee system in a coordinated way, and gradually standardize and improve it to ensure its sound operation.

**Fellow deputies:** This year's reform degree will be big, the scope will be large, and the reform work will be carried out in a concentrated manner. It will involve the readjustment of interests, classification of powers, the creation of new systems, and other in-depth major issues. All levels should fully understand the necessity, urgency, and arduousness of reform, thoroughly study the guidelines, conduct

propaganda and mobilization, pay close attention to the new situation and solve new problems in our work, strengthen leadership, and carry out reform carefully. As long as we persist in emancipating the mind, seek truth from facts, do experiments boldly, and work diligently, we will surely fulfill all reform tasks and make a decisive step in the course of building the socialist market economic structure.

**5. We Should Persistently Attend to and Be Competent in Two Tasks Simultaneously, and Achieve Success in Building the Spiritual Civilization and Building the Government Itself**

The socialist spiritual civilization is an important characteristic of the socialist modernization and an important guarantee for the healthy development of reform, opening up, and economic construction. The more we accelerate reform, opening up, and economic development, the more we should promote the socialist spiritual civilization and build the government well. We should let the principle of attending to and being competent in these two tasks simultaneously be manifest in the entire process of the modernization drive, in all trades and professions, and in all our specific work.

**A. We should persistently arm the vast number of cadres and the masses with the theory of building socialism with Chinese characteristics.**

Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the spiritual pillar of the entire party and the people across the country and a powerful ideological weapon to continuously facilitate reform, opening up, and the modernization drive. Arming the vast number of cadres and the masses with this theory is a strategic task of far-reaching significance. At present, we should adopt various measures to extensively organize cadres and the masses to study well the third volume of the "Selected Works of Deng Xiaoping," conscientiously read it in the original, and master its essence to guide our work practice. Leading comrades at all levels should take the lead in studying it well. We should do a good job in studying the theories on the socialist market economy and studying scientific and general knowledge to further emancipate our minds and update our ideas. Aiming at training socialist-minded people who have lofty ideals and moral characters and who are better educated and well-disciplined, we should strengthen the ideological and political work in the new situation, intensify the education on the party's basic line and on patriotism, collectivism, and socialism, carry out extensive activities to learn from heroes and models, attach importance to improving social morality and professional ethics, educate cadres and the masses to embrace correct outlook on life and value, develop healthy trends, eliminate evil trends, and establish good social conduct.

**B. We should actively promote socialist democracy and legal system.**

We should fully develop democracy and exert continuous efforts to make our policy making more scientific and democratic. Governments at all levels should earnestly subject themselves to the supervision of people's congresses and their standing committees and the supervision of the masses. They should further develop the role of CPPCC, democratic parties, and personages without party affiliation in political consultation and democratic supervision, attach importance to the role of trade unions, Communist Youth League, women's federations, and other mass organizations as bridges and channels, and achieve success in the nationalities and religious work. They should formulate and implement major policies, adhere to the mass line, and extensively give heed to the opinions of all circles of society. They should continue the system of "making work procedures and work results public to the scrutiny of the masses" and do a good job in the democratic appraisal of government personnel. They should handle well in a serious and responsible manner the suggestions, criticisms, and opinions of people's congress deputies and motions of the CPPCC and improve the quality in handling them. They should attach importance to people's letters and visits and address well the hot issues and difficulties that concern their vital interests.

We should persist in ruling the province according to law, improve the socialist legal system, and legally codify and standardize the management of economic and social affairs step-by-step. We should strengthen legislation work and improve local laws and regulations in compliance with the objective requirements of the development of the market economy. At present, we should particularly speed up establishment of the laws designed to standardize the mainstay of the market, safeguard the market order, improve and strengthen macroeconomic regulation and control, and improve social security. We should strictly enforce laws, establish and improve the system to supervise law enforcement by administrative departments and the intermediary legal service institutions, do a good job in disseminating and publicizing the knowledge on laws, enhance all the people's sense of respect for the legal system, and make sure that laws are abided by and strictly enforced and law violations are dealt with. We should strengthen grass-roots political power, improve the neighborhood and villagers' autonomous organizations, establish systems according to law, rule according to systems, run villages, plants, and schools in a democratic manner, and ensure people's rights as masters.

Governments at all levels and their personnel should take the initiative in studying, mastering, and applying laws, persist in handling administrative work according to law, learn to use the legal

means to manage economic and social affairs, work in strict accordance with the law, and resolutely deal with and correct law and discipline breaches. We should do a better job in the education on national defense to enhance people's sense of state security, carry out in-depth activities to support the Army and give preferential treatment to families of revolutionary martyrs and servicemen and to build civilized units by the Army and civilians together, support the endeavor to build a regular and modern Army, achieve success in the militia and reserve service work, and consolidate and develop the Army-government and Army-civilian relations in the new situation.

C. We should attach importance to and achieve success in cultural, public health, and sports work.

We should accelerate the development of cultural undertakings to enrich the people's spiritual and cultural life. We should adhere to the orientation of "serving socialism and serving the people" and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend" and establish more quickly a new system for cultural management that conforms to the market economy. We should improve the development plans for cultural undertakings and pay attention to construction of key facilities. We should correctly handle the relations between social benefits and economic benefits, put social benefits first, advocate the main melody of this era, train outstanding personnel, and greatly make art production flourish. We should actively develop the cultural undertakings of enterprises, school campuses, and communities. Taking advantage of the satellite relay of radio and television programs, we should step up construction of rural radio and television networks, expand their coverage, raise the quality of programs, and make propaganda more effective. We should intensify the construction and management of cultural markets, improve policies and laws, build a good contingent, and resolutely check and eliminate spiritual garbage.

We should implement the principle of prevention first and combination of traditional Chinese medicine with Western medicine, develop public health undertakings, and improve medical service. We should intensify construction of medical facilities, improve the medical service networks at various levels, and strive to alleviate people's difficulty in receiving medical service. We should attach importance to the technical training and professional ethics of medical personnel and conscientiously correct unhealthy trends. We should carry out extensive a mass patriotic public health campaign, continue to put the focus of medical care and public health on rural areas, replenish grass-roots medical personnel,

improve the means of medical service, and actively develop rural cooperative medical service.

The development of sports is the overall reflection of our levels of the two civilizations. We should extensively carry out physical culture and sports to improve people's physique. We should give particular attention to competitive sports, reform the training, contest, and management systems, and improve the mechanisms of competition, encouragement, and restraint to make able persons step up and unable ones step down. We should strengthen scientific and technological joint research on sports and sports service, manage sports teams strictly, do a good job in ideological and political work, cultivate the work styles characterized by indomitable efforts and courage to fight tough battles and win championships, upgrade the level of competitive sports as soon as possible, and regain the magnificent bearing of "Shandong big fellows" and Shandong sports.

D. We should continue to strengthen comprehensive management of public security.

We should correctly distinguish and properly handle the contradictions among the people emerging in the new situation, stimulate the enthusiasm of all quarters, and turn negative factors into positive ones. We should strengthen the function of people's democratic dictatorship, strictly implement the leadership responsibility system in the comprehensive management of public security, combine the efforts of special organs and the masses, crack down on and prevent crimes simultaneously, adopt both stopgap and radical measures, deal strict blows to criminal and economic offenses according to law, and, in particular, resolutely crack down on and never be soft-hearted toward smuggling and sales of smuggled goods, abduction and trade of women and children, drug abuse and trafficking, prostitution and patronage of prostitutes, and other ugly phenomena that disrupt social order and undermine social conduct. We should wage special struggles to particularly tackle the criminal activities and public security problems at which the masses are strongly indignant. Major and serious cases should be strictly and promptly investigated and handled according to law. To achieve success in the comprehensive management of public security, we should rely on the masses and make persistent efforts to resolve contradictions while they are still at the grass-roots levels, still within departments, and still in the bud. We should replenish and rectify public security, procuratorial, and judicial contingents, standardize their law-enforcing activities, upgrade their quality, and improve their means so that we will serve reform and construction better and make sure that people live and work in peace and contentment.

**E. Anticorruption campaign should be launched profoundly, persistently, and more effectively.**

The anticorruption campaign is a major matter bearing on the future and destiny of the state, and thus it should not be neglected at the slightest degree. The objectives for anticorruption work set forth by the central and the provincial party committees must be fulfilled so that the government will win confidence among the people. All corrupt elements, whatever their ranks are and no matter who they are, should be investigated seriously and punished resolutely according to party discipline and state laws. While deepening the reform, we should pay attention to establishing regulations and systems, as well as effective supervisory and controlling mechanisms, to root out the soil that may cause corruption. Leading comrades at all levels should take the lead in maintaining honesty and being strict with themselves, should set an example for enforcing relevant regulations, and should, beginning with provincial-level organs, resolutely ban all sorts of unhealthy trends, such as unwarranted pooling of funds, arbitrary requisition of donations, exaction of fees from enterprises, tour at public expenses, and wining and dining at public expenses. With the idea of long-term fighting, we should persistently and unremittingly oppose corruption and maintain administrative honesty in the whole process of reform, opening up, and development of the market economy.

**F. Self-construction of the government should be stressed.**

New situation and tasks set even higher demands on self-construction of the government. Governments at all levels should further carry forward the "three major styles of work," namely, integrating theory with practice, maintaining close ties with the masses, and conducting criticism and self-criticism, and should strive to "make innovations of reform, be honest and diligent, work hard in unity, and render high-efficient service" in order to make new progress in building of ideology and style of work. First, the practice of study should be encouraged energetically. Leading cadres at all levels should every year schedule a considerable period of time to go deep into the grass-roots areas, particularly the places with more difficulties and problems, to conduct investigation and study and resolve problems simultaneously. Leading cadres should conduct forecasting in advance, be circumspect and resolute, and strive to improve their expertise of policy making and the quality of their work. Second, efforts should be made to maintain even closer ties with the grass roots and the masses. Leadership and administration should be combined with service. Governments at all levels should wholeheartedly depend on the working class, respect the pioneering spirit of the masses, firmly embrace the mass concept, care for the weal and woe of the masses, listen to the voice of the masses, and bear in mind the production, lives, and wills of the masses. For the people without enough food and

clothes, for the workers of the enterprises whose production has stopped partly or completely, and for the retired persons with low income, special care and regular visits should be given, and effective measures should be adopted to resolve their problems. Third, practical work should be ensured. Governments at all levels should actually change their style of work, extricate themselves from tedious social intercourse, guard against formalism, subjectivism, and bureaucratism, and perfect the system concerning enforcement of and supervision over policy decisions and the feedback system. Fourth, governments at all levels should seek truth from facts, tell the truth, do tangible things, strive for practical results, report both good and bad news, oppose boasting and making false reports, and be responsible for both higher levels and the masses. Fifth, the concept of the whole should be enhanced, and discipline should be enforced strictly to ensure the smooth implementation of policies, decrees, and prohibitions.

Fellow deputies: In this new year, we should accelerate the pace of reform, opening up, and modernization and successfully fulfill all the tasks. Thus, our duties are glorious but arduous. Let us closely rally around the party Central Committee with Comrade Jiang emin as the core, hold high the great banner of building socialism with Chinese characteristics, emancipate the mind, seek truth from facts, enhance morale, and bravely pioneer the road under the leadership of the provincial party committee in order to constantly win a new and even greater victory in reform, opening up, and modernization.

**Shanghai People's Procuratorial Work Report**

OW0104122994 Shanghai JIEFANG RIBAO in Chinese  
28 Feb 94 p 3

[*"Excerpts" of Work Report of the Shanghai Municipal People's Procuratorate, submitted by Ni Hongfu, chief procurator of the Shanghai People's Procuratorate, to the Second Session of the 10th Shanghai Municipal People's Congress in Shanghai on 21 February]*

[Text] In 1993, guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, focusing on the central task of economic construction, and following the policy of "grasping two links at the same time, attaching equal importance to both," procuratorial organs in Shanghai actively implemented the party Central Committee's plan on combating corruption and the Supreme People's Procuratorate's instructions on strictly enforcing the law and vigorously investigating cases. They earnestly fulfilled their responsibility of legal supervision; fully exercised their procuratorial functions of investigation, arrest, and prosecution; relentlessly cracked down on embezzlement, bribery, and other types of economic crimes; dealt heavy blows to serious criminal offenses; strengthened the fight against infringement of people's rights and dereliction of

duty; and stepped up law enforcement. As a result, new progress was made in procuratorial work and in building the ranks of procurators.

### **1. Resolutely Cracking Down on Embezzlement, Bribery, and Economic Crimes and Promoting In-Depth Progress of the Anti-Corruption Struggle**

During the past year, relying heavily on party and government organizations at all levels and on the broad masses of people, procuratorial organs in the municipality successfully deepened their struggle against embezzlement and bribery. A total of 1,189 cases of embezzlement, bribery, and other economic crimes were uncovered last year. Of the total, 935 were major and important cases, an increase of 69.7 percent. The total amount of money involved in all the cases reached 253 million yuan, 4.3 times the amount in the previous year. Some 92.09 million yuan of illicit money and goods were recovered, and some 89.77 million yuan of economic losses were avoided, representing an increase of 200 percent and 230 percent, respectively, over the previous year.

Last year's struggle against corruption had the following major characteristics:

First, the masses became more and more enthusiastic about informing on crimes. Taking advantage of the good opportunities, procuratorial organs at all levels strengthened the work of informing on crimes by actively carrying out propaganda work to mobilize the masses. A total of 11,544 cases were reported by the masses, of which 2,730 were reported in the first half of 1993, averaging 455 cases a month; 8,814 were reported in the second half, averaging 1,469 cases a month, and 3.2 times that of the first half of the year. Cases of embezzlement and bribery cracked by procuratorial organs based on information provided by units and the masses accounted for 60 percent of the total number of cases on file, a percentage higher than the previous year.

Second, the number of major and important embezzlement and bribery cases notably increased. For the whole year, procuratorial organs cracked 900 major cases—cases involving bribery of more than 10,000 yuan and embezzlement of more than 50,000 yuan—and 35 important cases—cases involving cadres at the departmental level. Major cases accounted for 78.6 percent of the total number of cases on file, an increase of 27.7 percent. Of this number, 280 were mammoth cases involving more than 50,000 yuan in bribes and more than 100,000 yuan of embezzled funds, an increase of 300 times that of the previous year. Three of the mammoth cases involved bribery from 500,000 yuan to 1 million yuan; seven involved bribery of more than 1 million; and five involved embezzlement of more than 10 million yuan.

Third, a number of cases were uncovered inside party and government organs, and judicial, administrative law enforcement, and economic management departments. The number of such cases on file reached 143 for the year, accounting for 12 percent of the total number of cases on

file. Of the 143 cases, seven involved party and government organs, nine involved judicial departments, 40 involved administrative law enforcement departments, and 87 involved economic management departments. After review, it was decided to arrest 75 people. Using his position in charge of urban construction, real estate management, and housing construction, Zhu Wenqing, Luwan District's former deputy head, accepted 140,000 yuan in bribes in the course of approving joint land development projects and in connection with commercial housing purchases by units inside and outside Shanghai. His case topped the list of uncovered crimes committed by Shanghai's bureau-level cadres in terms of the amount of money involved. Although people committing such crimes accounted for only a very small percentage of state functionaries, they seriously damaged party and government images, disrupted the normal work order of state organs, and seriously endangered society. Seriously investigating and sternly handling such cases are very important to promoting the building of clean and honest government and forging closer ties between the party and government and the masses of people.

Fourth, we investigated a number of embezzlement and bribery cases in some fast-growing economic sectors. In the process of establishing a socialist market economic structure, Shanghai's markets of such production factors as banking, stocks, foreign exchange, and housing and real estate have developed rapidly. In order to ensure normal operations and healthy development of these markets, procuratorial organs earnestly investigated and handled in good time economic crimes of embezzlement and bribery in these sectors. Last year, they uncovered 87 cases involving 59.91 million yuan in banking and stock departments; 67 cases involving 15 million yuan in foreign exchange regulation markets; and 54 cases involving 5.97 million yuan in housing and real estate markets. Timely efforts to crack down on economic crimes and to stop them from spreading in these sectors was conducive to improving Shanghai's investment environment, protecting and expanding the fruits of reform and opening up, and establishing a sound socialist market economic structure.

Fifth, we pursued and captured a number of perverse criminals who absconded with big sums of money. Last year, we arrested 21 criminals on the wanted list who absconded with a total of 18.34 million yuan.

Sixth, we stepped up investigation and prosecution of embezzlement and bribery cases. Throughout the year, we indicted in courts a total of 614 economic cases involving 680 criminals. Of these, 487 were major and serious cases, accounting for 70.6 percent of the total. Especially since last August, in conjunction with the central and municipal party committees' strategic arrangements for the anticorruption drive, we concentrated efforts to indict, in four groups, 262 serious embezzlement and bribery criminals involving 46.98 million yuan. Through publicity by the mass media, we kept the masses and various quarters of society informed of the results of anticorruption work, thereby expanding the social effects of the anticorruption drive.

Seventh, we strengthened the prevention of criminal offenses in embezzlement and bribery. We established and perfected special bodies for preventing embezzlement and bribery, and set up 38 grass-roots preventive networks of all kinds. Based on investigations of some 40 major cases, we made proposals for supervision, and urged and assisted the relevant departments to plug loopholes, and enforce preventive measures.

## 2. Striking Severely at Serious Criminal Offenders To Maintain Public Order and Social Stability

In the past year, procuratorial organs at all levels in Shanghai closely coordinated with judicial and public security departments in launching preemptive strikes at, and swiftly and harshly punishing serious criminal offenders for murder, robbery, rape, explosion, and theft and robbery of guns; and criminal gangs of the nature of underground societies. Last year we handled a total of 12,302 criminal suspects whom public security organs had requested approval for their arrest. Of these, we completed investigations on 11,597, and approved the arrest of 10,897, including 4,437, or 40.7 percent of the total, on wanted lists. We also handled a total of 11,580 suspects forwarded by public security organs for investigation and prosecution; of these, we completed investigations of 10,957, and prosecuted 10,245. We actively cooperated with judicial and public security departments in launching special campaigns to tackle such social maladies as taxi robbery, unlawful growing of poppies, destruction of telecommunications equipment, and prostitution, which were rather serious during a given period of time. Under the municipality's unified arrangements, we took part in concerted campaigns to crack down on theft, train robbery, criminals on the run, and pornography, approving the arrest of 6,841 suspects, and prosecuting 832 cases involving 1,265 suspects. All of this had a positive impact on deterring crimes and maintaining public order and social stability. Procuratorates at various levels seriously implemented the guidelines of the party Central Committee and the NPC Standing Committee's "Decision on Strengthening the Comprehensive Management of Public Security," and further strengthened procuratorial work related to comprehensive management of public security. Over the past year, procuratorates at various levels used legal cases to publicize the legal system more than 300 times. In light of loopholes in the management of public security and prevention of crimes, those organizations put forward 419 suggestions. According to special characteristics of crimes committed by juveniles, procuratorates at various levels adopted effective measures to improve work, and increase results in handling those cases. They formulated rules for supervising and controlling reform activities for juveniles; and strengthened education and helped juvenile law offenders change their behavior by persuasion. They revisited 1,400 people who were exempted from prosecution, and inspected the situation of more than 3,900 people whose sentences were executed outside prison. Various procuratorates supervised the work of helping those people improve themselves. They unfolded activities of "joint construction of civilized

units" with enterprises and other business undertakings by providing legal consultations, and urging them to administer in accordance with the law. In coordination with concerned departments, various procuratorates laid stress on improving the situation of some places and units with conspicuous problems of public security, and worked hard to ensure social stability and reduce crimes.

## 3. Seriously Investigate and Handle Cases of "Violation of Lawful Rights" and Crime of Dereliction of Duty To Protect Citizen's Lawful Rights and Benefits and the Normal Operation of State Organs

Over the past year, procuratorates in the municipality handled 645 cases of "violation of lawful rights" and dereliction of duty, and filed 279 cases for investigation, an increase of 64.1 percent compared with the previous year, and recovered 9.38 million yuan's economic losses for the state and collectives. Among those cases filed for investigation, the five major categories of self-seeking misconduct, using torture to coerce statements, unlawful detention, dereliction of duty and responsibility for major accidents increased by 63.3 percent compared with the previous year. Of these, 25 cases were "hostage type" unlawful detentions, eight cases were dereliction of duty by financial workers, six cases were crimes committed by public security cadres and policemen to seek self-interest by misconduct and to coerce confessions by using torture, and 94 cases were related to responsibility for major accidents. In investigating various cases, procuratorates paid attention to using legal cases to publicize the legal system. This has enhanced citizens' consciousness of law and self-protection, and played a positive role in improving public security and preventing crimes.

## 4. Actively Investigate and Handle Crimes of Evading Tax and Resisting the Payment of Tax and Imitating Trade Marks To Protect State Tax Income and Economic Order on the Market

Over the past year, procuratorates in the municipality further strengthened their work of cracking down on crimes of tax evasion, and resisting the payment of tax, and imitating trade marks. Over the past year, various procuratorates investigated and handled 473 cases of tax evasion and resisting payment of tax, and recovered 20.86 million yuan for the state. First, various procuratorates attached importance to handling major cases. Over the past year, they discovered 50 especially serious cases of tax evasion each involving an amount of more than 100,000 yuan, an increase of 72.4 percent compared with the previous year. The biggest personal tax evasion case involved 2.27 million yuan of tax money. Second, various procuratorates firmly investigated and handled tax evasion by legal persons. They handled 14 such cases in the past year, or 470 percent more than in the previous year. Third, various procuratorates struggled against specific crimes in light of special characteristics of different trades. They publicized education on the tax law 63 times while investigating cases of tax fraud. Meanwhile, they helped concerned units establish and improve operational and tax management systems. Fourth, various procuratorates

worked in coordination with taxation organizations to improve tax collection. They ordered some "stubborn" units to pay taxes and fines for delaying payment. Procuratorates at various levels strengthened their efforts to "crack down on fake and shoddy products." They stressed handling major and serious cases of imitating trade marks, and producing and selling fake and shoddy products, which involve large volumes and have a very bad impact on society. They also seriously investigated and handled criminal groups which manufactured and sold fake and shoddy commodities. Over the past year, they filed 80 cases of imitating trade marks, an increase of 60 percent compared with the previous year. Of these, 48 were serious cases, accounting for 60 percent of cases. The total amount of illegal operations reached more than 29 million yuan. They cracked down on and destroyed 56 "criminal nests" which manufactured fake commodities. Cases of imitating trade marks discovered by procuratorates involved 20 categories and 39 kinds of commodities, including automobiles, auto parts, household appliances, bicycles, medicine, beverages, and medical apparatus. Investigating and cracking down on those cases played a positive role in protecting consumers' lawful rights, and maintaining economic order in the market.

#### **5. Strengthening Law Enforcement Supervision, Vigorously Launching Inspection of Investigation and Trial Activities and Law-Enforcement Activities of Prisons, Detention Centers, and Reeducation-Through-Labor Camps**

During the past year, procuratorial organs paid closer attention to law-enforcement supervision. First, they strengthened supervision over investigation and trial work. They arrested and prosecuted 182 criminals who had slipped through the net, turned down 776 cases for further investigation on the ground of insufficient evidence, and gave verbal or written comments to public security organs and courts on 88 cases rectifying violations of law. They also decided not to approve the arrests of a total of 700 people and not to prosecute 14 others on the grounds that their actions did not constitute crimes, or because there was no need to hold them for criminal responsibility. In addition, they protested court judgment on 22 cases on the grounds that the judgment was inappropriate. Second, they strengthened inspection of prisons and detention centers. They gave their views on 391 cases of violation of law by prisons, detention centers, and reeducation-through-labor camps [jian guan gai zhao chang suo 4148 4619 2395 6644 1034 2076]. They organized special task forces to conduct special investigation into law-enforcement activities and prominent problems in enforcing criminal verdicts and judgments. They presented views to rectify action on a timely basis, and pressed law-enforcement departments to strictly enforce the law and conduct business in accordance with the law. Third, they vigorously conducted inspection into civil action and administrative cases. During the year, they set up files on 88 civil action and administrative cases following the parties's appeal, protested verdicts and judgments on six cases which appeared inappropriate, and presented views to rectify mistakes on eight cases. Fourth, they made earnest efforts to investigate charges and

appeals. They accepted 29 appeals over verdicts and judgment on criminal cases, and presented views to courts in six cases to rectify mistakes. In addition, they accepted appeals over 111 non-prosecution decisions and reversed decisions on 29 cases out of 61 concluded cases. Fifth, they strengthened internal checkups in case handling work. They improved the system of separating arrest from prosecution, and strengthened checkups on cases investigated by procuratorial organs themselves. Following the review process, they decided not to arrest a total of 45 people after the cases were investigated and forwarded to them by their own criminal departments. They also issued orders to arrest and prosecute seven suspects after the criminal departments decided not to arrest and prosecute them.

#### **6. Strengthening the Ranks of Procurators and Promoting Efficiency and Integrity Among Procuratorial Organs**

A contingent of procurators who are politically conscious, professionally competent, highly disciplined, and superior in workstyle serves as an important organizational safeguard to the fulfillment of procuratorial organs' responsibilities in supervising law enforcement. Over the past year, upholding the policy of "strictly managing procuratorial personnel and operating procuratorial offices in accordance with the law," procuratorial organs simultaneously attended to procuratorial work and the building of procuratorial ranks, and worked hard to push the work of building a procuratorial contingent to a new stage.

Procuratorial organs strengthened education in political theory and persisted in using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to arm procuratorial officers and men. They regarded using Comrade Deng Xiaoping's theory to arm procuratorial officers and men as the central link of their ideological-political work and the paramount task of education in political theory. They worked hard to raise procuratorial personnel's political integrity and theoretical standards so that they would be more conscientious and determined in implementing the party's basic line.

They took further steps to promote spiritual civilization, beginning with building civilized units. They launched emulation activities in a down-to-earth manner and deep-going way to inspire vast numbers of officers and men to make progress, take the overall situation into consideration, fight with an indomitable spirit, and make selfless dedication. During the year, the municipal procuratorial system selected 85 advanced collectives and 115 individuals for performing meritorious services. In addition, 30 collectives and 42 individuals received commendations. Four collectives and four individuals received commendation and awards from the Higher People's Procuratorate while 18 of the 20 district and county procuratorial offices were commended as "civilized units." Among them, Zhabei district procuratorial office and a branch of the municipal procuratorate were commended as municipal-level "civilized units."

Study on reforming the cadre personnel management system has been actively carried out with a responsibility

goal-setting system being adopted in procuratorates at the municipal, district, and county levels, under which scientific management was introduced to enhance work efficiency. Eleven procuratorates at district and county levels experimented with the system of "exchanging, waiting for, and experimenting with duty points." Some district and county procuratorates even studied such things as the "chief investigator's responsibility system" and the "system of accounting for wrongly investigated cases."

Work on promoting clean administration among officers and men has been intensified. While following arrangements made and meeting demands put forward by the central authorities, the municipal party committee, and the Supreme People's Procuratorate, and taking into consideration the reality of procuratorial work, procuratorial organs at various levels in the municipality held meetings on democratic life, and appraisal meetings for office level and above, during which officers and men would seriously screen their own actions against relevant central stipulations and make necessary self correction. The municipal procuratorate has formulated and promulgated the "Code of Clean Administration for Police Officers and Men of the Shanghai Municipal Procuratorate;" republished telephone numbers on clean administration supervision, enhanced clean administration awareness among officers and men; and conducted massive inspections on law and discipline enforcement where wrong-doers would be seriously dealt with.

#### **Voluntarily Submit to Leadership of the Party Committee; Accept Supervision of the People's Congresses**

In performing our duties, we persisted in making timely reports to the party committees on serious conditions and major cases, and sought their support and guidance. We have been conscientiously implementing the "Regulations on Judicial Work Supervision" adopted by the Standing Committee of the municipal people's congress and adhered to the system of submitting work reports to the people's congresses and their standing committees. We have been seriously handling cases handed over or assigned by the people's congresses and their standing committees, and relevant motions and proposals put forward, and criticisms made by the people's deputies with prompt replies on their outcomes. We took the initiative to invite the people's deputies and members of the Chinese People's Political Consultative Conference to inspect the procuratorates and conscientiously heard their appraisals and opinions on effectively improving work and enhancing the law-enforcement level.

The major tasks for Shanghai's procuratorates this year will be: To persist in being guided by Comrade Deng Xiaoping's theory on establishing socialism with Chinese characteristics, and conscientiously implement the guidelines set by both the Third Plenum of the 14th CPC Central Committee and the Second Plenum of the Sixth Shanghai Municipal Party Committee; to unshakably uphold the party's basic line of "one center and two basic points;" to unwaveringly implement the guiding principle of making procuratorial work serve economic construction; to uphold the principle of "being firm in attending to

both material progress, and cultural and ideological progress;" to strengthen the functions of law supervision through stricter law-enforcement and thorough investigations into all cases; to persist in waging struggle against corruption and bribery; to severely crack down on serious criminal activities; to conscientiously investigate cases involving "infringement of rights" and dereliction of duty; to conduct inspections on all fronts to preserve political and social stability and protect the on-going reform, opening up, and economic construction; and to make new efforts to promote the establishment and perfection of a socialist market economic system.

#### **Sichuan Governor's Government Work Report**

*HK1003010094 Chengdu SICHUAN RIBAO in Chinese  
1 Feb 94 pp 1-3*

[Sichuan provincial government work report delivered by Sichuan Governor Xiao Yang before the Second Session of the Eighth Provincial People's Congress on 18 January: "Government Work Report"]

[Text] Fellow deputies,

On behalf of the provincial people's government, I now submit to the Second Session of the Eighth Provincial People's Congress the report on the work of the government for your examination and approval, and also for suggestions and comments from members of the Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC] and other observers.

#### **Review of Our Work in 1993**

In 1993, under the guidance of Comrade Deng Xiaoping's remarks during his trip to southern China as well as the spirit of the 14th party congress, under the leadership of the Sichuan Provincial CPC Committee, and under the supervision and with the support of the provincial people's congress and the provincial CPPCC, the provincial people's government mobilized and organized the people of the entire province to uphold the party's basic line, further emancipate their minds, seize the favorable opportunity, intensify reform and opening up, and speed up economic development. As a result, we basically fulfilled the targets and tasks assigned by the First Session of the Eighth Provincial People's Congress. At present, the entire province is enjoying a sound economic growth, a stable political situation, general unity among nationalities, and social progress. Sichuan's reform, opening up, and modernization drive have now entered a new phase of accelerated development.

#### **1. Center around economic construction, speed up the pace of economic development**

With the aim of implementing the spirit of Comrade Deng Xiaoping's remarks during his trip to southern China, seizing the favorable opportunity, and expediting Sichuan's economic growth, the provincial people's government submitted to the provincial people's congress a grand program on realizing the second-step strategic goal

three years in advance, which was adopted by the latter. Since then, an economic strategy which is characterized by the practice of "relying on science and education, readjusting the structure, integrating the Army with the people and urban areas with rural areas, being based on the Sichuan Basin, and developing two flanks" has been carried out in a comprehensive way; while a regional development arrangement which is characterized by "relying on two cities, paying attention to two lines, developing two flanks, and bringing along the development of the entire province" has also been worked out. In accordance with the principle of giving guidance to different types of areas, the provincial government has established different development plans, pillar industries, and policies and measures for different localities. The economy of the "one line" area, which spans Jiangyou to Emei Shan, is enjoying a rapid development; resettlement of residents in the Three Gorges Reservoir area has entered the stage of comprehensive action after undergoing successful experiments; and the Panxi area in southern Sichuan ranks among areas with the largest numbers of construction projects and the biggest amounts of investment. With the arduous efforts of the entire society and the people of the whole province, and also with the support of the People's Liberation Army troops stationed in the province, Sichuan has seen a rapid growth in its national economy, and its economic strength has been enhanced remarkably. The province's GDP in 1993 is estimated to reach 186 billion yuan, up by 12.8 percent over the previous year.

Persistent efforts were made to strengthen agriculture and rural work. Regarding agriculture as the foundation of our work, we conscientiously put into effect major policy decisions of the central authorities on strengthening agriculture; comprehensively carried out the principle of "never relaxing our efforts in grain production, actively promoting a diversified economy, and vigorously developing township and town enterprises"; unswervingly engaged in farmland capital construction; fought bravely against natural disasters; and strived to realize the goal of "stabilizing and increasing grain production and reducing burdens." The annual agricultural output value totaled 84.59 billion yuan in 1993, registering a 1.5 percent increase; while the total output of grain reached 43 million tonnes, which is slightly lower than the figure for the previous year. Animal husbandry, aquatic production, and forestry are all enjoying a good development momentum. The total annual output of pork, beef, and mutton reached 4.681 million tonnes, an increase of 4.2 percent. Remarkable results have also been attained in building shelter-forest systems at the middle and upper reaches of the Chang Jiang, in building water-soil conservation works at the upper reaches of the Chang Jiang, in transforming low-yield farmland in central and eastern Sichuan, and in building production bases for quick-growing high-yield forests. Township and town enterprises are growing at a high speed. With a total output value of 191.87 billion yuan, which is 95 percent higher than that of the previous year, township and town enterprises have seen simultaneous growth in both sales revenue and total profits and taxes. Over 10 million peasants have left their homelands

to seek employment or do business, among whom 5 million are working outside Sichuan, bringing back a great deal of experience and technology regarding developing a commodity economy as well as a big income from labor services. The rural cooperation foundation has undergone stable development, and the statutory burden of peasants across the province was controlled to within 5 percent of the net per capita income of the previous year.

Industrial production grew rapidly and economic efficiency increased. Sichuan seized the favorable development opportunity to readjust the product mix in light of market demand and to place the development of the pillar industries and leading production in an important position, stepped up production and development of marketable goods and new products, offered preferential policies to 152 efficient key enterprises which had sources of raw materials and whose products were marketable, and ensured the supply of working capital and energy. However, production of poorly managed enterprises whose products were unmarketable was limited. Relying on technical transformation and scientific and technological progress, Sichuan upgraded products and improved quality, opened up markets for products through various channels, made strenuous efforts to turn deficits into profits, alleviated the burdens on enterprises, and maintained sustained and rapid industrial growth. Output value of industry at and above the township level totaled 212.61 billion yuan, an increase of 20.9 percent. Output value of sales totaled 204.28 billion yuan, up 21.2 percent. The production-sale rate topped 96.1 percent. Profits and taxes delivered by the budgetary industrial enterprises rose 43.7 percent and the profit rate on costs went up 0.5 percentage points. The major industrial products increased by a wide margin. The ordnance enterprises accelerated the pace of their readjustment and transformation, increased the proportion of civilian goods, and produced a number of competitive leading products.

Investment in infrastructure rose normally and construction of key projects proceeded satisfactorily. Priority was given to transportation and communications building and efforts were made to open channels from Sichuan to other provinces. A framework of trunk lines gradually took shape within the province, presenting a favorable trend of comprehensive development of railway, highway, water, and air transportation. Construction of the Chengdu-Chongqing expressway, the Dacheng railway, and the double-track southern section of the Baoji-Chengdu railway, and electrification of the Chengdu-Kunming railway was smooth. The Longlu railway went into operation and progress in the expansion of the Shuangliu airport was smooth. Preparations were made for the Mianle high-grade highway. The Northern Sichuan and Southern Sichuan High-Grade Highways Shareholding Companies were established, and worked out plans for a number of transportation and communications projects. Focusing on transmission lines and programmed exchanges, we accelerated the pace of "building the framework and setting up the network" in communications and connected the Xian-Chengdu, Chengdu-Kunming, and Chengdu-Fanzhihua

optical fiber lines. More than 200 cities at or above county level throughout the province had dialing telephones, of which 139 had direct long-distance call services and 66 had international long-distance call services. The second stage of the digital network project was completed. Energy construction was further strengthened. The Ertan Power Station smoothly dammed the river. The Tongjiezi, Huangjiaozhuan, and Fangang power stations went into operation on schedule. With the new installed capacity of 950,000 kw, Sichuan's total installed capacity exceeded 100 million kw. We accelerated the building of the Moqi gas field and development of the Junlian coal field. The province stepped up efforts to build the bases for essential raw materials. The 60,000-tonne polyester-sectioning project in Zigong, the 60,000-tonne sodium chloride project in east Sichuan, and the preparations for the 240,000-tonne phosphate-ammonium fertilizer project in south Sichuan were developing in full swing. New headway was made in urban construction and building of towns. Output value of the building industry at and above township level totaled 30 billion yuan, an increase of 23 percent. The area of housing space completed was 52 million square meters, up 9 percent.

Sichuan vigorously developed tertiary industry and accelerated the building of the market system. Based on the principle of whoever makes the investment will benefit, the enthusiasm of all fields was aroused for running tertiary industry. The province implemented the policy of encouraging foreign investors in running tertiary industry. The development of Sino-foreign joint commercial and catering services showed a good momentum. A number of multifunctional wholesale markets and markets for production factors, which had large capacities and covered large areas, were built. The Sichuan Grain and Edible Oil Wholesale Market, Chongqing Means of Production Exchange, and Chengdu Metals Exchange started operation. The circulation channels were further widened. The volume of retail sales totaled 85.46 billion yuan, a rise of 18.8 percent.

The economy of the nationality areas developed healthily and new steps were taken in supporting the poor. Focused on the tasks of helping the poverty-stricken areas take the road to prosperity, Sichuan vigorously explored new roads for economic development of the nationality areas and the old bases and border regions, which were in straitened circumstances. Sichuan organized the relevant provincial departments to hold on-the-spot meetings to help the nationality areas resolve their difficulties in economic development. By relying on their own efforts and aid offered by various localities, the GNP, the total industrial output value and the total agricultural output value of the nationality areas increased by 9.6 percent, 20.8 percent, and 5.5 percent respectively over the previous year.

Thanks to measures adopted to rectify the financial order, revenue increased. Sichuan strictly enforced the examination and approval procedures for tax exemption and introduced a new financial accounting system. Efforts were made to promote production, increase income, increase sources of income, levy taxes according to law, and prevent

drains on revenue. Institutional purchases were kept strictly under control and nonproductive financial expenses were curtailed. Financial reform was deepened and preparations were made for implementing the revenue-sharing system. Revenue and expenditure were balanced in 1993, with revenue totaling 20.137 billion yuan, up 37.1 percent from the previous year; and expenditure totaling 21.4 billion yuan, up 31 percent.

Living standards of the urban and rural inhabitants continued to improve. The average living expenses income of urban inhabitants was 2,172.8 yuan, an increase of 20.2 percent over the previous year. It is estimated that the net average income of the peasants was 695 yuan, an increase of 61 yuan. Urban inhabitants had an average living space of 7.2 square meters, up 0.2 square meters. The balance of inhabitants' savings deposits was 71.35 billion yuan, up 22.8 percent.

## 2. Intensify reform and open up wider

To meet the needs of the transition to a socialist market economy, deepen enterprise reform, and implement the "Enterprise Law," the "Regulations for State Industrial Enterprises To Effect a Change in Operational Mechanism," and Sichuan's "Methods for Implementation," the province paid attention to the 22 large and medium-sized state enterprises undergoing the experiment of a new system and the 2,000 enterprises undergoing the experiment of three systems. In light of the state's standard opinions for trying out the shareholding system, Sichuan established 890 shareholding enterprises, of which 42 were public utility companies. A good job was done in comprehensive rural reform. The Guanhuan reform experiment area and the Yibin reform experiment invigorated the county-level economy and accelerated the growth of the county economy. Marked achievements were scored in reform experiments in the county organs. The province explored the road of reform in light of the principle of separating administration from management.

Opening up to the outside world was an important measure for expediting Sichuan's economic growth. We made friends with people all over the world and extended international cooperation and exchanges. Sichuan established relations of friendly ties with 33 cities of 14 countries and had trade contacts and cooperation with more than 120 countries and regions. We expanded the sphere for foreign investors, formulated policies for attracting foreign investment, did our utmost to improve the environment for foreign investment, and successfully held trade talks in Hong Kong, Thailand, Macao, and the ROK; sponsored Sichuan festivals in Moscow and Sofia; and took an active part in trade talks in Shenzhen. The external affairs, foreign propaganda, overseas Chinese affairs, Taiwan affairs, ports, customs, commercial inspection, border inspection, and civil aviation departments did a great deal of work to open Sichuan wider to the outside world. Shuangliu Airport was given approval to become an international airport. Under the conditions of the drastic changes taking place in the domestic and international markets, we made unremitting efforts to earn more foreign

exchange through exports. The volume of Sichuan's imports and exports was \$2.916 billion, up 32.6 percent. Of this, \$1.65 billion was earned through exports, up 11 percent. There were 1,910 new foreign-funded enterprises during the year, involving agreed foreign capital of \$2.4 billion. The province contracted foreign projects and labor services worth \$600 million, up 17.6 percent. The volume of border trade reached 750 million yuan. Tourist facilities improved remarkably and so did services. The province earned \$80.4 million from tourism, up 16.2 percent. Inter-province economic and technical coordination further expanded.

### **3. Implement the measures of macroeconomic control and regulation, unwaveringly uphold development**

In connection with reality in Sichuan, we earnestly implemented the spirit of the "Opinions on the Current Economic Situation and Strengthening Macroeconomic Control and Regulation" promulgated by the CPC Central Committee and State Council; unwaveringly adhered to development; switched the focus of economic work onto deepening reform, changing the operation mechanism, readjusting the structure, and increasing efficiency; and resolved prominent problems in economic life, particularly in banking work.

The province rectified the banking order, enforced banking discipline, resolutely implemented the regulations, and ensured the funds required for purchasing farm produce, working capital for major enterprises, technical transformation funds, funds for foreign trade enterprises and key construction projects, and funds for normal operation of the banks. As a result, the banking order improved remarkably, illegal lending was checked, the indiscriminate concentration of funds was curbed, the issuing of bonds was gradually standardized, all stock and equities were held in trust, and all spontaneous exchange markets were banned. The problem of issuing IOU notes was basically resolved, the funds for key construction projects were ensured, and the strain on working capital for key enterprises was eased somewhat.

Investment in fixed assets was brought under control and the key construction and technical transformation projects were ensured. The whole province curtailed 300 million yuan of investment in fixed assets.

Sichuan screened and rectified the development zones and the real estate market and checked the blind occupation of and speculation in land. The province reduced the development zones by 114, which involved a planned area of 481 square km and construction of 129 square km that had already started. Now the province has 52 development zones, of which four are state-level, 14 are provincial-level, and 34 are general-level development zones. Standard and legal management is exercised in these development zones.

We exercised strict control over price adjustment, established price adjustment funds and necessary reserves for sought-after commodities, made proper use of financial subsidies, adhered to the examination and approval system for the prices of essential means of production and consumer goods, and made efforts to curb spiraling prices.

Initial results were achieved in checking the indiscriminate exaction of charges. The province abolished 1,740 kinds of irrational charges, suspended 64 kinds, and reduced 114 kinds of charges.

### **4. The strategy of revitalizing Sichuan with science was smoothly implemented and all kinds of social undertakings developed vigorously**

The province studied, publicized, and implemented the "PRC Law on Scientific and Technological Progress" and vigorously implemented the 50 articles and supporting measures for revitalizing Sichuan with science and technology. The social mood of respecting qualified personnel and knowledge took shape. We implemented the principle of "stability and opening up" and deepened reform of the scientific and technological system. The province ran 6,890 various kinds of scientific and technological enterprises and implemented 168 scientific research projects, which turned out an output value of 7.51 billion yuan. Besides tackling key problems in a number of scientific and technological projects and importing technology, the province registered 745 major natural scientific and technological achievements during the year. Agricultural and rural science and technology were placed in the primary position in the province's scientific and technological work by tackling 25 key problems, trying out comprehensive technological development in 55 townships, and implementing 23 spark projects. The agricultural popularization system developed in the direction of offering services in the entire course of production. Sichuan enhanced the technological development and assimilation capacity of enterprises, promoted enterprise technological progress, and developed 3,016 new products during the year. We vigorously developed high-tech industries; accelerated the building of the four high-tech technological development zones in Chengdu, Chongqing, Mianyang, and Zigong; and invested 1.575 billion yuan, which is estimated to add new capacity for turning out 1.38 billion yuan of output value. The province nurtured and developed technological markets, and successfully held the Sichuan cross-strait economic and technological trade talks, the Macao new technology and new products fair, the new technology and new products trade talks of five provinces and seven sides along the Chang Jiang Valley, and the Sichuan youth scientific and technological achievements exposition. We attached importance to the scientific nature of policy decisions and the study of social science, upgraded the scientific policy decisionmaking level of the government, and prevented serious mistakes in policy decisionmaking. The protection of intellectual property rights was strengthened somewhat.

Earnestly implementing the "Outline for Chinese Education Reform and Development," Sichuan upheld the socialist orientation for running schools and improved education quality and school efficiency. Priority was given to basic education, with the stress on running well nine-year compulsory education. The provincial government issued a series of documents on continuously maintaining the ranks of primary school teachers, further improving management over levying surcharges on rural education, strengthening management over education funds in the remote border and

nationality regions, and imposing education charges on guesthouses and hotels, and adopted resolute measures to resolve the problems of arrears in paying teachers, improving the conditions of schools and teachers' remuneration, maintaining the ranks of teachers, and arousing enthusiasm for teaching and educating students. There were 11 counties which passed the inspection on popularizing nine-year compulsory education. Sichuan reformed and developed higher education and readjusted the curriculum. Enrollment in ordinary institutions of higher learning rose 17 percent. The province deepened comprehensive reform of rural education and vigorously explored comprehensive reform of urban education. We paid attention to vocational and technical education, adult education, and education in areas inhabited by minority nationalities.

Sichuan continued the deepened reform of the cultural system, caused culture and art to flourish, raised the main theme of the times, and vigorously carried forward the outstanding culture of the Chinese nation. We sponsored the performance of national local operas (of southern areas), introduced the classical Chinese music concerts of the 20th century (in Chengdu and Chongqing), and organized literary and art performances to mark the centenary of Mao Zedong's birth. The province set up the Sichuan Cable Television Station, built the satellite receiving station, started broadcasting of the securities station, completed the radio project for the minority nationalities, and successfully sponsored the 1993 China Sichuan International Television Festival. We strengthened management over the cultural market and achieved results in the special struggle to wipe out pornography. We successfully sponsored the events of the Seventh National Games held in Sichuan. Sichuan's athletes scored good results at the Seventh National Games, ranking fifth, one grade higher than the previous year.

Upholding the policy of putting prevention first in medical work, the province improved the health of its people. We enormously enhanced rural health building and attained achievements in primary health care there. The occurrence and spread of diseases were brought under control and the rate of infectious and endemic diseases dropped. Thanks to the extensive activities of building health cities, Chengdu won the state health city title and Luzhou and Yibin won "10 best" national prefectural- and county-level health city titles.

The implementation of the three basic national policies of land protection, environmental protection, and family planning and the deepened reform of the land-use system brought about a halt in indiscriminate occupation and use of cultivated land, a rise in afforestation coverage, and improvement in the quality of the environment in some regions. The birth rate was 16.77 per thousand and the natural growth rate 9.57 per thousand.

New headway was also made in press, publication, meteorology, mining, surveying, seismic, air defense, personnel, the elderly, statistics, archives, confidentiality, people's complaints, culture and history, and annals work.

##### 5. Efforts were made to enhance social stability and the building of democracy and the legal system

Proceeding from the high plane of long-term stability, Sichuan strengthened the building of socialist democracy and the legal system. Thanks to the establishment and improvement of the democratic supervisory system and the system of making policy decisions democratically and scientifically, we implemented the regulations and resolutions of the provincial people's congress and its standing committee and consciously accepted the legal supervision by the provincial people's congress, its standing committee, and the people's deputies. Taking the initiative to maintain contacts with the CPPCC, democratic parties, figures without party affiliation, and people's organizations, we fully respected their right to participate in the deliberation and administration of state affairs and to exercise democratic supervision. While formulating our major policies or reform measures, we solicited the opinions of the provincial people's congress standing committee and the provincial CPPCC standing committee in advance. Government leaders went deep into the grass-roots level to attentively listen to criticism of government work and proposals made by the people's deputies and CPPCC members. We also took note of giving full play to the role of advisers and scientific and technical advisory groups.

Focused on economic construction, deepened reform, and opening up, we strengthened administrative legislation work. We organized the drafting of 11 local regulations and 21 provincial government regulations and submitted them to the provincial people's congress for examination and approval. At the same time, the government strengthened supervision over the enforcement of law and punished major lawless behavior. Focused on delegating powers to enterprises and alleviating the peasants' burden, the governments at all levels seized upon the complaints made by the masses, examined themselves, and boldly corrected lawless behavior. The measures adopted to check the 8,985 cases of indiscriminate exaction of charges and pooling of funds not only safeguarded the legitimate rights and interests of enterprises and the masses but also impelled the administrative organs to exercise administration according to law. To promptly discover, correct, and check administrative interference by administrative organs in enterprises, the Legal System Bureau of the provincial government set up check posts in 368 enterprises to monitor conditions in administrative law enforcement. The province enhanced auditing and economic supervision, administrative reconsideration and litigation work. Thanks to the drive to popularize law and enhance the sense of law, solicitor, notary, and other legal service work developed somewhat.

The province comprehensively tackled social order, did a good job of people's mediation work, mitigated social contradictions, and appropriately handled sudden events. Giving full play to the role of the public security and judicial organs and cooperating closely with the procuratorial organs, the province launched special struggles against highway robbers, production and trading of fake and counterfeit goods, and prostitution; sternly cracked

down on criminal and economic offenses; smashed criminal gangs seriously endangering social order; and arrested and sentenced a number of criminals who had done all kinds of evil. As a consequence, social order gradually took a turn for the better. Safety and fire prevention work was also stepped up.

Building of the organs of power at the basic level and the mass autonomy organizations was enhanced. Centered on relief work, full play was given to the steady mechanism role of the civil administrative departments.

Thanks to the earnest implementation of the party's religious policies, the province ensured freedom of belief, effectively resisted infiltration by foreign hostile forces, and safeguarded nationality unity and social stability.

The province seriously implemented the "Sichuan Regulations for Conducting Education in National Defense," carried out the activities of supporting the Army and giving preferential treatment to families of revolutionary armymen and martyrs and supporting the Army and cherishing the people, enhanced the unity between Army and government and between the Army and the people, strengthened Army building, and did a good job of the militia reserve force.

#### **6. The running of clean administration was strengthened and the building of spiritual civilization developed healthily**

In light of the plan of the CPC Central Committee, the State Council, and the provincial party committee, anti-corruption struggles were launched in a deep-going manner. Resolutely implementing the "three do not's" for state functionaries and five-point regulations for government working personnel at above county (department) level, measures were adopted for them to examine and correct their problems. A large number of major and important cases were investigated and handled, a number of corrupt elements were punished, and all this was made public to society. There were phased achievements in specially dealing with unhealthy tendencies in the taxation, public security, state land, education, public health, transportation, railway, electricity, post and telecommunications, and banking trades. Indiscriminate charges collected by administrative institutions were screened and rectified. The province resolutely implemented the stipulation of the central authorities banning administrative law enforcement organs and offices from engaging in business and running enterprises. The economic entities run by governments were separated from the former organs in terms of functions, finance, personnel, and titles. A system of running clean administration was established and improved. Target management was exercised and assessment of political achievements was strengthened for the work of provincial organs.

Centered on the general goal of the modernization program and the building of spiritual civilization in the nineties, Sichuan brought the building of spiritual civilization into line with the economic and social development plan; unswervingly launched education in building

socialism with Chinese characteristics and the four cardinal principles, patriotism and national conditions, and socialist market economy; extensively carried out mass activities of building spiritual civilization, and initially fostered the ideological guarantees, spiritual forces, intellectual support, and media environment favorable to reform, opening up, and economic construction.

We owe the achievements attained in national economic and social development over the past year to the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, the correct leadership of the CPC Central Committee, the State Council, and Sichuan CPC Committee, the vigorous support of the troops stationed in Sichuan, and the concerted efforts of the Army and the people of the whole province. On behalf of the provincial government, I would like to extend my heartfelt thanks and regards to the people of all nationalities throughout the province, people's deputies, CPPCC members, cadres at all levels, the armed forces stationed in Sichuan, the officers and men of the armed police and public security organs, democratic parties, figures from various circles, and friends abroad!

Amid rapid economic growth and social progress, we also encountered a series of outstanding problems: The prominent problems in infrastructure and the "bottlenecks" in basic industries; the slow progress in structural readjustment; the lack of staying power in agriculture and low comparable interests; state enterprises lacking vitality and suffering from huge deficits; the great demand for but short supply of capital; economic relations which are not yet straightened out; the low efficiency of the national economy as a whole; the relatively high level of retail prices; and the factors of instability in society. These problems are due to our failure to go deep into the realities of life to conduct investigations; arouse the masses to offer suggestions for the outstanding problems in our work; implement the major policy decisions regarding economic development; open up wider to the outside world; and promptly handle the problems complained of by the masses. The provincial government, which attaches great importance to these problems, is now studying ways to gradually resolve them.

#### **Opinions on the Work for 1994**

The year 1994 will be a crucial one for establishing a socialist market economic system as well as an important one for Sichuan to attain the second-step strategic objective three years ahead of schedule. With Comrade Deng Xiaoping's theory of building Chinese-style socialism as the guide, we should conscientiously implement the spirit of the 14th party congress and the Third Plenary Session of the 14th CPC Central Committee, unswervingly adhere to the party's basic line, firmly stick to the central task of economic construction, and continue the policy of deepened reform and opening up. We should do two types of work simultaneously and attach equal importance to both; carry forward the fine tradition of self-reliance, hard struggle, and building the country thrifitly; properly handle the relations between reform, development and stability;

arouse the enthusiasm of all fields in speeding up the establishment of a socialist market economic system; open up wider to the outside world; readjust the economic structure and increase efficiency; maintain sustained, rapid, and healthy [shi xu kuai su jian kang fa zhan 2170 4958 1816 6643 0256 1660 4099 1455] economic growth; promote comprehensive social progress; and safeguard and develop the political situation of stability and unity.

The country's economy is at the stage of high growth. The state has placed the development of the central and western regions and the exploitation of the western resources on the agenda. Thanks to the favorable trend of Sichuan's economy, a number of large foreign firms are optimistic about the Sichuan market. In the face of such a golden opportunity, we must seize the opportunity to expedite development. Firmly bearing in mind Comrade Deng Xiaoping's teaching that "development is the last word" and upholding the criteria of "three advantages," we should further emancipate our minds, seek truth from facts, make bold explorations, and forge ahead with a high sense of historical responsibility and mission. We should continue to follow the development strategy of "relying on science and technology, structural readjustment, combining the Army with the people, urban-rural integration, having a foothold in the basin, and developing the two flanks" and the regional development plan of "relying on the two cities, grasping the two lines, developing the two flanks, and bringing along development of the whole province."

In light of these guidelines, the main targets of Sichuan's 1994 economic development will be set initially at: GNP—220.8 billion yuan, up 9.6 percent; total industrial and agricultural output value—376.8 billion yuan (calculated in terms of 1990 constant prices), up 12.8 percent from 1993; of this amount, agriculture—84.3 billion yuan, up 4 percent; industry—292.5 billion yuan, up 15.6 percent; and local revenue—12.24 billion yuan, up 9.7 percent.

The task to attain the 1994 targets is extremely arduous, requiring the concerted efforts of the people of the whole province and the focusing of attention on doing well work in the following 10 fields:

**1. Promote the overall situation, make breakthroughs in special points, and adopt supporting measures to accelerate the pace of reform**

Centered on establishing a modern enterprise system, nurturing and setting up a market system, and accelerating the pace of comprehensive county-level economic structural reform, we should promote reform of the taxation, banking, investment, planning, foreign trade, social insurance, housing, and scientific and technological systems; gradually introduce structural reform of local organs; and lay a sound foundation for establishing a socialist market economy system in Sichuan.

With the central task of running large and medium-sizes state enterprises well and with the objective of establishing a modern enterprise system, it is necessary to

accelerate enterprise reform and structural readjustment. We should continue to implement the "Enterprise Law," the "Regulations for Enterprises To Effect a Change in Their Operation Mechanism," and the "Regulations for Exercising Supervision and Management Over State Enterprise Property"; carry out well the modern enterprise system experiment in four enterprises selected by the state and 22 enterprises chosen by the province (all localities also may select a small number of enterprises to undergo the experiment); continue the experiment of 2,000 state enterprises changing their operation mechanisms; and ensure a smooth transition from the contract system to the practice of a unified income tax. We should speed up reform of the enterprise property rights system, strengthen and improve the operation and management of state assets, clearly define property rights relations, and gradually explore the establishment of a modern enterprise system based on the enterprise corporation property system, so that enterprises will undertake the responsibility for preserving and increasing the value of state assets. It is necessary to push forward the transformation, transfer of production, leasing, and selling of small and medium-sized state enterprises. In light of the standard requirements, we should introduce various forms of shareholding experiments, select for the formation of large public utility groups those energy and communications projects and key enterprises that have conditions enabling them to have an impact on Sichuan's economic construction, advocate and encourage enterprises under different forms of ownership to become shareholding companies, vigorously develop corporate limited companies and shareholding limited companies, and steadily develop directional collection companies where workers are shareholders. Focusing on the development of key industries, the formation of key enterprises, and the development of essential products, it is necessary, through market guidance and government promotion to encourage enterprise reorganization by means of mergers, the shareholding system, enterprise groups, and joint ventures with foreign firms.

While upholding the principle of common development of various economic sectors, based on the predominance of the public sector, we must vigorously readjust the ownership structure, and promote both the state and collective economies. It is necessary to encourage the economic development of the individual, private, and exclusively foreign-funded sectors, and to increase the proportion of the nonstate and nonpublic sectors in Sichuan's economic setup. We should transform the system of the small and medium-sized state enterprises, sell them, or let them be run by the people under state ownership, and gradually reorganize urban and rural collective enterprises into shareholding enterprises or exercise private operation under public ownership. It is necessary to create conditions for various economic sectors to participate in market competition on an equal footing and to treat all kinds of enterprises equally and without discrimination.

The county-level comprehensive economic structural reform must be strengthened, and the county-level economic development must be accelerated. In light of the requirements for establishing a socialist market economy system and in light of the outstanding problems that have cropped up in county economic development and that demand prompt solutions, it is necessary to nurture various forms of market systems that are composed of diverse sectors, to introduce the experiments of township enterprise shareholding and the shareholding cooperative system, to straighten out enterprise property rights relations, to practice various forms of asset-operation forms, and to comprehensively invigorate the enterprise operational mechanism. To resolve the difficulties in selling farm produce and the peasants' difficulties in buying materials, it is necessary to establish a spot wholesale market for farm produce and a wholesale market for manufactured goods. We should break with the demarcation line between administrative regions, trades, and ownership, and should vigorously develop trade-industry-agriculture integration, as well as production-transportation-marketing economic organizations.

The reform of the banking system must be deepened. In compliance with the diverse trend of banking organizations, channels, and services, we should adopt more flexible measures, develop local banking organizations, and support the branch offices set up in Sichuan by the national banking organizations and financial organizations of other provinces and regions. We should set up an exchange center for treasury bonds. Conditions should be laid down for the newly established State Agricultural Development Bank and the Import and Export Credit Bank to set up representative offices or branches in Sichuan as early as possible. Based on the existing urban and rural credit cooperatives, we should establish on a trial basis an urban cooperative bank and a rural cooperative bank. It is necessary to develop the range of operation and business means of the insurance and trust investment companies, and to enhance the existing nonbanking financial organizations. We should vigorously import foreign capital and create conditions for one or two foreign banks to set up branches in Sichuan.

We should deepen reform of the taxation system and ensure that the revenue-sharing system will be implemented smoothly in Sichuan. It is necessary to stabilize the financial system between the province and all localities, step up the building of state and local taxation organs, enhance management over taxation and finance, and strengthen the province's macrocontrol and regulation over finance. To increase revenue, it is necessary to vigorously open new financial resources. We should earnestly study and enforce the Taxation Law and improve the methods for levying taxes. In accordance with the Rules for Financial Affairs and the Rules for Accounting, the distribution of interests between the government and enterprises should be standardized. We also should vigorously raise funds and support economic development.

**Reform of the investment system:** Construction projects will be divided into competitive investment, infrastructure investment, and public utility investment projects. It is necessary to strengthen market regulation of the capital accommodation and investment of the competitive projects, expand the channels for capital accommodation and investment of the basic projects, and improve the system of capital accommodation and investment of the public utility projects. We should establish an investment risk-binding mechanism; affirm the main investment status of enterprises; put the legal person first, then determine the project; replace the system of examination and approval with the system of application and record; and extend the investment decision-making right of enterprises. It is necessary to reform the management method for investment plans, and no longer merely rely on the overall planned targets to control the total investment, but start from the sources of capital instead, mainly apply economic means, and exercise indirect control over the formation and use of investment capital.

**Reform of the planning system:** To transform the functions of planned management, the fundamental point is to transform the traditional mandatory planning system and to establish a guidance planning system that meets the needs of a socialist market economy, is advantageous to comprehensive control over major issues, and is also favorable to flexibility in minor affairs. The method of planned management should be changed from direct to indirect regulation and control and to applying economic policies, regulations, and levers to regulate economic operation. We should establish a scientific planning system and a national economic accounting system, and should improve the alarm system for exercising macroeconomic supervision. With the stress gradually put on medium- and long-term planning, the system of annual planning should be reformed. Attention should be given to the formulation and implementation of industrial policies, the regulations of a trade or profession, and special planning.

**Reform of the circulation system:** In light of the principle of "he who makes investment owns and benefits," it is necessary to make full use of the advantages of communications, to develop the market, and to promote commerce. We should focus attention on building a number of large-scale functional and influential markets for means of production, and for farm and sideline produce, and to build a wholesale market; vigorously nurture and develop markets for finance, science and technology, qualified personnel, labor, information, real estate, and other essential factors; and promote the rational flow of essential factors for production. Efforts should be made to vigorously and steadily develop a commodity exchange; organize and build several futures markets; nurture the rural market; and gradually establish a unified, open, standard, competitive, and controllable market system that is suited to economic growth and the people's living standards. The barriers between regions and markets, between urban and rural

areas, and between trades should be removed, and reform of the supply and market cooperatives, state commerce, and material supply enterprise system should be promoted. Practicing the competition and elimination mechanism, the small retail shops and material supply enterprises can be sold by means of auctions. Based on handling enterprise credit and liabilities well and on resettling staff, the funds should be withdrawn and put into large-scale market-building in the form of holdings.

The building of the social insurance system should be focused on improving the retirement, medical, and unemployment insurance systems. Where conditions permit, the retirement system also may be tried out in rural areas. It is necessary to comprehensively introduce reform of the housing system, to put the funds for housing reform into building residential houses, and to implement the "Housing Project."

On the premise of the state rationally dividing the economic management powers of the central and localities, the provincial-level economic regulation-and-control and management mechanism should be improved. Through legislation, policies, planning, budget, and local taxation, the province's economic activities should be readjusted to maintain the basic balance of the economy and to bring about optimization of the economic set-up.

## 2. Open up wider and in all directions

Opening up wider constitutes a major measure for deepened reform, economic development, and social progress. The government, as well as departments at all levels and the people throughout the province, should further emancipate their minds; fully understand the special importance of the measures adopted by Sichuan to give prominence to opening up, to strengthen foreign economic, trade, and external affairs, enhance external cooperation, and import foreign capital; get rid of the seclusion mentality and increase a sense of opening up; improve the software investment environment and simplify procedures for handling affairs; and improve the quality of services. We should make the most of the preferential policies enjoyed by Chengdu and Chongqing, and should strive to turn a number of cities with appropriate conditions along Chang Jiang or along the railways into inland open cities. The four state-level development zones and province-designated development zones must be run well, and we should build a number of state-endorsed development zones. To implement the "economy and trade" development strategy, it is necessary to further expand the sphere of cooperation with other countries.

We should vigorously develop foreign trade and exports, and should expand the scale of foreign exchange earning. The role of vital force of various types of foreign trade companies throughout the province should be brought into full play. While consolidating and developing the existing market, we should

step up the opening of the East European, South American, African, CIS, and Southeast Asian markets; expand export channels; and introduce more Sichuan products to the international market. The foreign trade enterprise operation structural reform should be deepened and an operational mechanism should be established which is suited to international economic operation rules and unified policies, fair competition, independent operation, and sole assumption of responsibility for profits and losses. To increase foreign exchange from exports, the state foreign trade enterprises should be reorganized in light of the requirements of the modern enterprise system. Plans should be worked out to set up 10 large international export consortia. We encourage enterprises with appropriate conditions to increase their foreign exchange earning through exports. The powers of import and export operation should be delegated and province-prefecture-county trade entities should be established to carry out various forms of foreign trade businesses through various channels and levels. The strategic position of developing export commodities should be determined, and a number of unique and prospective enterprises with sound financial strength should be selected to serve as the commodity production bases and upgrade Sichuan's export commodities. It is particularly necessary to expedite the development of value-added, technical-intensive electromechanical equipment and other high-tech products. Meanwhile, it is necessary to pay attention to the precision processing of silk fabrics, leather goods, garments, meat, food, and medicines; improve their quality; and develop a series of leading products with Sichuan characteristics. We should develop transnational operation, support the companies abroad, increase their role as windows and bridges, and strive to attain an export volume of \$2 billion.

We should expand the sphere of inviting and importing foreign investment, and should make the most of foreign capital. Efforts should be made to run well the existing three types of foreign-funded enterprises and to newly set up another 2,000 foreign-funded enterprises through expanding the channels for attracting foreign investment. It is particularly necessary to attract well-known transnational companies, large consortia, and first-rate scientific and technological enterprises to Sichuan to develop cooperation. With a foothold on Sichuan's advantages in resources, infrastructural building, readjustment of industries and products, and technical transformation of old enterprises, various forms should be adopted to import foreign capital, technology, equipment, and managerial experience. A number of backbone enterprises and large and medium-sized enterprises or workshops should be offered to attract technical- and value-added projects through joint venture, cooperation, leasing, transfer, and other means, and to develop a number of large-scale foreign-funded enterprises. While ensuring that \$1 billion will be attracted, we should strive for a higher figure of \$1.5 billion.

We should develop foreign economic, technological, and labor cooperation; make use of various channels to strive for all kinds of bidding abroad; and particularly take note of promoting labor cooperation and transactions in contracting engineering projects with the export of full sets of equipment. Meanwhile, it is necessary to develop non-commodity trade, which includes international tourism.

We should strengthen foreign affairs and foreign propaganda work; further expand international friendly contacts, as well as economic, scientific and technological, and cultural exchanges; and increase mutual understanding and cooperation. A good job should be done in work concerning nationals residing abroad and in Taiwan, Hong Kong, and Macao affairs. The customs, commercial inspection, and border inspection departments should deepen reform, strengthen management, and perform service work well.

We should enhance lateral ties and develop economic and technological cooperation with neighboring provinces and cities, particularly the provinces and cities along the Chang Jiang, the coast, and the border. Policies and measures similar to those for foreign investors will apply to investment from other provinces, and further preferential policies will be offered to those investing in the Three Gorges Project. We should strengthen management over Sichuan's "window" enterprises abroad and in other provinces.

### **3. Enhance the foundation of agriculture and accelerate rural economic development**

The questions of agriculture, rural areas, and the peasants have always been a fundamental issue related to the overall situation of our party and state. The more we speed up reform and opening up, the more attention and protection should be given to agriculture. As a big agricultural province, Sichuan's task of developing agriculture, particularly increasing peasants' incomes, is extraordinarily arduous. Governments at all levels should earnestly implement the spirit of the central rural work conference; comprehensively implement the "Agricultural Law" and the "Law on Popularizing Agrotechniques"; firmly bear in the mind that agriculture is the foundation; regard agriculture as the foundation of economic work at all times; earnestly strengthen leadership over agriculture and rural work; further stabilize and improve rural policies; deepen rural reform; perform the functions of guidance, support, protection, regulation, and control; and promote comprehensive rural economic development.

The current deepened rural reform should be focused on nurturing the market, perfecting the market system, strengthening macroeconomic regulation and control, protecting agriculture, and speeding up the establishment of a rural economic operational mechanism and management system that meet the needs of a socialist market economy. It is necessary to continuously stabilize and improve the system of contracted responsibility

with payment linked to output and the management system in which unified management is combined with separate management. We should stabilize property rights relations, resolve the problem of compensated transfer of land use, and improve and strengthen the functions of production services, coordinated management, and capital accumulation of the social cooperative economic organizations. The shareholding cooperative system should be applied to run all types of economic entities and should accelerate the growth of the village collective economy.

Centered on the objective of "stabilizing grain production, increasing output, and attaining the comparatively well-off level," this year's task should be focused on "stabilizing grain production, increasing output, and readjusting the setup"; combating natural disasters; and reaping bumper harvests. As grain is the foundation for Sichuan's stability and development, we should ensure an average of 400 kg per capita possession of grain. On the premise of stabilizing grain production and speeding up structural readjustment, we should try by every means to increase the peasants' per capita income by 80 yuan and try to raise the figure to 100 yuan. With the market as the guide and with the backing of science and technology, we should further readjust the agricultural structure, optimize the distribution of resources, and develop high-yield, fine-quality, and efficient agriculture. With increasing the peasants' income as the objective, it is necessary to open up new sources for production and to go all-out to develop value-added industries and products with a high commodity rate and capacity to earn foreign exchange. Throughout the rural economy, it is necessary to vigorously develop the secondary and tertiary industries on the basis of stabilizing agriculture, and to increase their proportion in total rural production. In overall agriculture, we should take note of using uncultivated land, of comprehensively developing agricultural resources, and of diverse operations. We should give prominence to animal husbandry and to fruit and aquatic farming, and should increase their proportion in total rural production. In farming, it is necessary to develop cash crops and fodder on the premise of stabilizing grain production.

Investment in agriculture should be increased through various channels. An agricultural input system that combines the state with the collective and with individual peasants should be established to ensure a gradual increase in agricultural input. The increase in agricultural input by financial departments at all levels should be higher than that in revenue. The province has allocated 40 million yuan this year to support agriculture. The increase in loans granted to agriculture by the Agricultural Bank should be higher than the average increase in loans granted to other fields. On the premise of independent operation, more loans for more deposits, and ensuring the needs of credit for production, the rural credit cooperatives should expand the fields for capital investment. We should continue to consolidate, improve, develop, and expand the rural

cooperative fund; guide the peasants to increase their capital and labor accumulation; strengthen management over agricultural funds and the funds for special purposes; and ensure the allocation of agricultural funds. We should properly use the funds for farm purposes and should increase the efficiency of investment in agriculture.

We should rely on science and technology to boost agriculture. Effective measures should be adopted to carry out farming, breeding, and introducing fine breeds. We should extensively popularize new farm and animal products and techniques, and extend advanced and applicable techniques in suitable areas. Rural science and education should be upgraded to a new level. The "Spark Plan" and the "Harvest Plan" should continue to be developed in the high-tech and technology-intensive areas. Attention should be given to the comprehensive rural technological development experiment conducted in counties and townships.

We should strengthen agricultural production, transportation, storage, and other infrastructural building, and should increase the comprehensive production capacity of agriculture. Efforts should be made to build irrigation works and carry out farmland capital construction, promote agricultural mechanization, and continuously improve the conditions for agricultural production. While paying attention to the maintenance and overhaul of existing water works and electrical irrigation facilities, it is necessary to concentrate forces to build well the Wudu, Shengzhong, and Daqiao reservoirs; the 16 medium-sized reservoirs; and a number of major water works. We should continue to transform the low-yield land in central and east Sichuan, maintain water and soil conservation in the upper reaches of Chang Jiang, build the shelter forest in the middle and upper reaches of the Chang Jiang, and carry out the key projects to provide work and grain as a form of relief. During the year, Sichuan will transform 2 million mu of medium- and low-yield land, resolve the problem of water shortages for 200,000 people and 250,000 head of animals, and afforest 4.64 million mu of land.

Agricultural protection should be enhanced. In light of the state's grain policy of "ensuring quantity and lifting price restrictions," we should work out and adopt protective measures for agriculture, improve the grain production-purchase-marketing system, establish a scientific and rational price system for grain which helps arouse the enthusiasm of various sectors, duly increase the protection price of grain, set up a grain risk fund, and improve the grain reserve system. Continued efforts should be made to alleviate the unreasonable burdens on peasants, and no IOUs should be issued when purchasing farm produce. We should implement the "Land Management Law," earnestly protect cultivated land, exercise strict control over land for non-farming purposes, establish a farmland protection system, and adopt effective land reclamation and compensation methods. Agricultural insurance should be

introduced gradually and the agricultural risk compensation mechanism should be improved. We should effectively organize production, storage, and supply of the means of production; strengthen management over the market for farm materials; and ensure agricultural needs.

We should seize the opportunity to accelerate the development of township enterprises, which constitute the essential mainstay of the rural economy and the hope for Sichuan's peasants to take the road to prosperity. The areas that have started late should put accelerated growth in the first place. Areas that already have a sound foundation should tap potentials, improve their operational mechanism, speed up their technical transformation, make efforts to readjust the structure and expand their scale of operations, and strive to occupy a position in the market both inside and outside the province. The areas that have developed rapidly should combine themselves with the building of small towns, bring about the growth of the tertiary industry, expedite the transfer of surplus rural labor, and promote the process of agricultural modernization. Township enterprises may become shareholders in, cooperate with, and lease or buy state enterprises. It is necessary to consolidate and develop the comparatively well-off demonstration villages. We should try by every means to ensure that the total output value of Sichuan's township enterprises will reach 250 billion yuan, and that their sales, profits, and taxes will increase simultaneously.

The agricultural socialized service system must be improved. It is necessary to strengthen the building of the township and village agrotechnique popularization service organizations, and to determine the size of their establishment. The agrotechnique, forestry, animal husbandry, veterinary, water conservancy, farm machinery, meteorology, and other service organizations should be run well. We should combine technical services with material supply, and should offer services for the entire process of production. In addition to encouraging peasants to set up associations, special cooperatives, and other self service organizations, we should guide and assist peasants in entering the circulation field.

#### 4. Strengthen infrastructure building and readjust the industrial structure

To maintain a rational scale of investment, it is necessary to readjust the investment set-up and increase efficiency. Fixed-asset investment should be within the framework of 58.8 billion yuan. To improve the investment environment and speed up economic growth, we should concentrate forces on expediting the construction of transportation, communications, energy, and other basic facilities.

With the railways and highways as the key point, we should enormously develop aviation, step up the building of ports along the Chang Jiang, and gradually establish a rationally distributed and comprehensive

transportation network. With the stress on opening up a channel from Sichuan to other provinces, we should step up the double tracking of the southern section of the Baoji-Chengdu railway and the electrification of the Chengdu-Kunming railway and the Yuda section of the Xiangfan-Chongqing railway, accelerate the construction of the Dacheng railway and the railway project in the western suburbs of Chengdu, resume construction of the Anbian-Shushe section of the Neikung railway, and make preparations for the Dawang railway. Attention should be paid to the transformation and construction of the Cheng-Xian, Chongqing-Guiyang, Zigong-Kunming, and other trunk lines. The building of the Chengdu-Chongqing, Mianle, and Neiyi expressways should be accelerated. We also should speed up construction of the second Chang Jiang bridge in Chongqing and of the Chang Jiang bridges in Wanxian and Buling. In addition to dredging the inland rivers, it is necessary to expand the main ports along the Chang Jiang and to upgrade the technical level of ships. We should develop aviation, expand the Shuangliu International Airport in Chengdu, and build medium-sized airports in key cities. We should launch the third stage of the digital communications project, continue to develop optical fiber lines, increase the number of digital telephones, set up the Sichuan mobile communications network and paging network as early as possible, improve Sichuan's long-distance exchange network, and increase the capacity of the satellite ground receiving stations in Chengdu and Chongqing.

Energy resources should be exploited on a large scale. The pace of building the Ertan, Baozhu, and other large power projects should be accelerated and we should strive for the construction of the Guangan power plant and the Nanyaezhile-Yaohe dam power station, and for the technical transformation of the Chengdu thermal power plant, the planning of the Zipingpu reservoir and Pubugou power station, the exploitation of the valleys, and the acceleration of power construction in the localities. Attention should be paid to the technical transformation of coal mines. We should tap potentials and effectively carry out the coal-power operation of the Junlian coal mine and the preparatory work for the Guxu mine. We should enhance the exploitation and production capacity of gas fields, and ensure steady growth in the gas industry.

Mineral resources should be exploited and the raw materials industry developed. We should make the most of the Panxi mineral resources, comprehensively utilize titanium coulsonite, and study and develop new materials. We should step up construction of the second stage of the Pangang steel works and make preparations for planning the second base of the Sichuan iron and steel plant. Sichuan should develop the chemical industry, step up construction of the Zigong polyester project, exploit stone resources, and do precision processing well.

To push forward urban infrastructural building, a good job must be done in urban planning. The stress should

be placed on building urban facilities in Chengdu and Chongqing and in the functional and satellite cities, as well as on creating conditions for turning them into international metropolises. We should gradually develop a number of new large and medium-sized cities and distinctive regional economic centers with the backing of these cities. The pace of building small towns should be accelerated, and special attention should be given to the planning and construction of 100 small towns that will serve as links between the urban and rural economies, and gradually will narrow the gap between cities and the countryside.

Sichuan should readjust the industrial setup, develop its pillar industries, and increase investment in technical transformation and technological progress. Great efforts should be made to transform old enterprises and traditional industries. A plan should be worked out to develop Sichuan's pillar industries and leading products. In light of the principle of a high starting point, specialized division of labor, mass production, and making breakthroughs one by one, we should concentrate financial, material, and human resources to run the following well: the automobile, motorcycle, electronics, electromechanical equipment, crane, building machinery, metallurgy, building materials, chemical, food, pharmacy, and other pillar industries, and to develop economies of scale. Attention should be paid to applicability, creativity, and progress in the development of new products. We should focus attention on the technical transformation of 100 major enterprises, eight trades, and 50 leading products, and should ensure the development of 2,000 new products and the upgrading of 10 major products. All enterprises should cater to the market, carry out technical innovation, update their equipment, and use new materials. We should strengthen comprehensive quality control, enhance the state's sample quality inspection, and strive to attain a quality rate of over 92 percent.

Special efforts should be made to turn deficits into profits and to increase industrial economic efficiency. We should enhance basic management over enterprise technology, equipment, and costs, and should regard energy consumption, cost reduction, turning deficits into profits, and increasing efficiency as the main criteria for evaluating enterprise operators.

Sichuan should make the most of the ordnance industry and speed up the development of civilian products. We should make full use of ordnance technology to accelerate the pace of developing civilian products and should make proper use of the assets of ordnance enterprises. In addition to consolidating the existing automobile, motorcycle, chemical, machinery, electronics, and other competitive industries, it is necessary to develop a number of leading products on the premise of ensuring Army supplies, to complete a number of major technical transformation projects; and to build a number of production bases for quality and brandname products.

##### 5. Developing tertiary industries and doing a good job in financial, taxation, and monetary sectors

Vigorous efforts should be taken to develop tertiary industries. Both state-owned and cooperative enterprises should take the road of intensive management by grouping enterprises, as well as the road of modernization in line with the concept of generalized commerce, general market, and general circulation; give full play to their overall superiorities in personnel, technology, and equipment; and actively carry out step-by-step experiments with the joint-stock system. Qualified enterprises may organize and develop enterprise groups in such forms as merger and mutual share-holding. It is imperative to encourage the introduction and utilization of foreign funds to renovate commercial facilities and equipment. Supply and marketing cooperatives should practice comprehensive management, improve their service facilities and means, strengthen technological service functions, and set up a relatively stable service and management system that integrates agriculture, industry, and commerce. A good job needs to be done in the building of service networks, as well as commercial networks in small towns and townships. Productive enterprises need to be encouraged to shift their surplus means of production toward tertiary industries. Efforts should be taken to develop chartered accounting and auditing firms. Overall planning should be made and comprehensive measures taken to make full use of tourist resources, to increase input into tourism, to promote tourist and scenic spots, to improve the quality of tourist services, to make a success of the 1994 Tours of Cultural Relic and Historic Sites, to boost the development of the tourist and related industries, and to create conditions to build Leshan and Dujianyan into national-level tourist and holiday resorts.

We should do a good job in financial accommodation and in the collection of funds through various financing channels and means. Efforts should be made to further standardize and develop the loans and securities markets, increase the varieties of bonds, and do a good job in the issuance and transfer of various stocks and bonds. More flexible forms should be adopted to increase savings deposits in urban and rural areas. We should persistently take the development of pillar industries, competitive products, and foreign exchange-earning products as the guiding factor in economic development; rationalize the distribution of credit funds according to the principle of supporting the superior and limiting the inferior; bring about the best possible coordination between banks and enterprises in the use of funds through readjustments of reserves and increments of funds; and bring about an efficient readjustment in both the industrial structure and the product mix. We need to grant more agricultural loans to guarantee purchases of agricultural products. We should support industrial and commercial enterprises in their efforts to increase effective supply and expand the market. Strides should be taken to support major constructions and key projects of technological renovation, to enhance the domestic adaptive capacity for

funds of foreign-invested enterprises, and to boost the production of major export products. The management structures of foreign exchange and foreign bonds need to be reformed, and vigorous efforts should be made to develop the insurance industry. It is necessary to continue implementing the rural credit policy, which features "more credits for more deposits," with a view to enlivening the financial sector in rural areas. Rural cooperative funds should be consolidated and developed so that we can exercise sound management over and make flexible use of various funds.

It is important to increase market supply and tighten control over commodity prices. A good job needs to be done in production and transportation, as well as in ensuring market supplies of people's daily necessities, including grain, cooking oil, meat, vegetables, and industrial items for daily use. Efforts should be made to intensify market management, and technological and commodity-price supervision. We should deal severe blows at the manufacture and sale of counterfeit and inferior-quality products, and should protect consumers' legitimate rights and interests. Efforts should be made to implement and digest the price reform according to the arrangements of the state. We should pay special attention to the supervision and control of the market; set up an alarm system for price increases; establish reserve systems for major commodities such as grain, pork, chemical fertilizer, gasoline, and essential building materials; and perfect the collection and utilization of price regulation funds. Vigorous efforts should be made to bring price increases under control and to keep the growth rate at around 10 percent. We must attach importance to the life of the masses—especially the life of those in disaster-stricken areas, where food and clothing are insufficient—to the life of workers and staff in enterprises that have totally or partially suspended production, and to the life of low-income families.

We should do a good job in financial and taxation work, and should help localities increase financial revenue. Since the system of tax division was put into practice, localities have relied mainly on enterprises' income tax and sales tax for their financial revenue. Therefore, more attention should be paid to the profit-making capability of enterprises. Continued strides should be taken to rectify the "three disorders," to lighten enterprises' financial burdens, and to help them prevent profit losses. Efforts should be made to intensify the functions of financial departments, and to make good use of the tools of finance and credit. New financial sources need to be opened up through vigorous efforts. It is imperative to strengthen tax collection and tax management so that all financial revenues can be put into the treasury promptly. Reform of state-owned enterprises' profit-distribution system should be implemented successfully, and new applicable tax rates should be implemented strictly. We should exercise control over financial expenditures and group consumption, and should ensure the payment of salaries to

cadres, workers, and staff members, and especially to teachers. We also should impose sound management over and make flexible use of extra-budgetary funds.

Sichuan Province is vast in territory, and there exist considerable gaps between different regions. Under such circumstances, we need to provide different guidance to different types of areas, and help them achieve progress at different levels. Efforts should be made to perfect the economic development program, development policies, and work arrangements for the Three Gorges Economic Zone, the Comprehensive Resources Development Zone to the west of Panzhihua in southern Sichuan, the Northern Sichuan Economic Zone, as well as regions inhabited by minority nationalities.

With the aim of building Chengdu and Chongqing into modern international metropolises, we will reinforce the economic strength of these two cities, give better play to their functions in bringing along other cities, make full use of the preferential open policies they already enjoy, continuously accelerate the development of the "one-line" area from Youjiang to the Emei Shan, push forward the development and opening up of the "one-line" area between Chengdu and Chongqing, and link advanced areas with backward ones so that all can head for common prosperity.

Basing on the city of Chengdu, we will develop mainly such pillar industries as electronics, automobiles, and heavy machinery; bring about rapid development in the Northern Sichuan Economic Zone; and gradually turn Chengdu into a technological center, commercial and trade center, financial center, communications and transport hub, and a stable production base for agricultural and sideline products of the southwestern region.

Based on the city of Chongqing, we will focus mainly on the development of such pillar industries as automobiles, motorcycles, machinery, metallurgy, industrial chemicals, and building materials; seize the opportunities provided by the development and opening up of the Chang Jiang, as well as by the Three Gorges Project, which has entered the phase of substantive preparation; accelerate the development of the Three Gorges Economic Zone; and gradually turn Chongqing into an economic center, scientific and technological center, communications hub, automobile, motorcycle, and energy production base of the southwestern region. Efforts should be made to implement the resettlement principle marked by the development and opening up, closely integrate the resettlement of residents with the economic development of areas around the reservoir, increase input into the resettlement work, and expedite the pace of resettlement. We also will make full use of policies granted to open cities along the Chang Jiang, including Wanxian and Fuling, and will accelerate the pace in constructing ports and support facilities, as well as the salification and chlorite-alkaline projects in eastern Sichuan.

Taking energy, chemicals, metallurgy and other pillar industries as a leading factor, the province will vigorously improve its communications and transport facilities, strive to obtain more open and more flexible policies, introduce funds and technology from abroad, pay close attention to the construction and preparation of a number of major projects, speed up the comprehensive development of natural resources, and bring about the development of the economic zone to the west of Panzhihua, in southern Sichuan.

Areas inhabited by minority nationalities should vigorously develop the tobacco and mining industries, forestry, fruit production, animal husbandry, and the production of traditional Chinese medicine; should set up a number of bases for the production of minerals, forests and fruit, animal husbandry, and traditional Chinese medicine; develop and utilize hydroelectric resources and key tourist resources; give shape to new economic growth points; and speed up the pace of economic development.

It is imperative to accelerate the economic development of old revolutionary bases and the Panzhou Shan area. Efforts will be taken to further relax policies; increase scientific and capital input into these areas; and expedite the development of transport, telecommunications, energy construction, and resource exploration. Town and township enterprises, as well as the individual and privately owned economies, will undergo considerable development.

#### **7. Pay close attention to science and technology, as well as education, and bring about development of all social undertakings**

Continued efforts will be made to carry out the strategy of rejuvenating Sichuan through the application of science and technology; to further implement the policy on intellectuals; to closely integrate science and technology with education and economic development; to give vigorous play to the roles of science, technology, and education in guiding and pushing forward both economic and social development.

It is necessary to uphold the concept that science and technology are the primary productive forces, and to arm all trades and industries with modern science and technology. The "Law on Scientific and Technological Progress" should be put into effect so as to perfect the system of policies, rules, and regulations on science and technology. Strides will be taken to put into comprehensive practice Sichuan's plan for accelerating reform of the scientific and technological system, and to bring about well-coordinated development in the economic, social, and scientific and technological fields. Special attention will be paid to the 180 key technical projects and experimental industrial projects assigned by the state, as well as to 60 projects for the commercialization of major scientific and technological results. It is imperative to bring up a number of leading scholars in different academic subjects who can continue to render

services in the next century; vigorously introduce, digest, and transplant advanced science and technology from foreign countries; accelerate the development of new and high technologies, as well as related industries; and do a better job in running new- and high-tech industrial development zones. Efforts will be made to accelerate the commercialization of scientific and technological results, to boost scientific and technological progress, to develop scientific and technological industries, and to enhance the proportion of scientific and technological progress in the national economic growth. Continued efforts will be made to increase input into scientific and technological work. By placing the focus of our attention on deepening reform as well as on the building of the two civilizations, we will vigorously carry out social and scientific research, and especially research into policy-making sciences. Scientific and technological personnel who have made outstanding contributions should be awarded, and intellectuals should be encouraged to enter the major battlefield of economic development. It is necessary to run well the provincial conference on scientific and technological work, and to set off a new upsurge of people throughout the country learning, loving, and using science. Efforts should be taken to reinforce the protection of intellectual property rights.

Conscientious work should be done to carry out the "Outline on Education Reform and Development," as well as the "Teachers' Law"; to place education in a strategic position and give priority to educational development in real terms; and to strive to enhance the ideological, moral, scientific, and cultural levels of the entire nation. We should carry out the party's education principle in a comprehensive way, uphold the socialist orientation of education, enhance the quality of education, and put in a great deal of work into bringing up useful, talented people who are well-adapted to the needs of building the socialist market economy. Earnest efforts should be made to strengthen basic education, reinforce compulsory education, and prevent the loss of middle and primary school students, especially those in rural areas. With a view to finding a fundamental solution to the problem of the arbitrary collection of fees and of adding to the heavy burdens of middle and primary school students, we must adopt resolute measures to check the arbitrary editing, printing, and issuing of various kinds of review materials and exercise books. We should persistently take the road of running both government and non-government schools, and of integrating production with education; vigorously develop vocational and adult education; bring up technical personnel at both the intermediate and preliminary levels; and wipe out illiteracy among the young and middle-aged. Continued attention should be paid to the comprehensive reform of both the rural and urban educational systems. To do a good job in higher education, we should deepen reform, readjust the structure, and take the road of intense development. Efforts will be made to strengthen the building of the contingent of teachers, and to attract more outstanding talents to

work as teachers. We will continue to increase input into education and to check the diversion of educational funds. All social forces should be encouraged to run schools in various forms and at different levels according to the law.

Cultural organs, press and publications, as well as radios, films, and television should publicize the main theme of our times, and should provide sound services for the building of the two socialist civilizations. Efforts will be made to reform the cultural structure (especially the structure of art ensembles), pay major attention to the cultural building of rural areas, bring about the further development of cultural undertakings, control culture through the law, and improve people with culture. It is imperative to uphold the principle of "serving the party and the people" and the principle of "letting a hundred flowers blossom and a hundred schools of thought to contend"; to carry out and perfect cultural and economic policies; to place the social efficiency of spiritual products in a primary position; and to publish more good books, create more good works, and perform more outstanding plays so as to boost the socialist new culture of the Chinese nation and bring a new culture to Sichuan. We will extensively carry out mass sports activities in both urban and rural areas, strengthen physical education in schools, and pay attention to the development of athletic sports.

Strides will be taken to comprehensively deepen reform of health and sanitation work; to earnestly strengthen preventive health care, improve health care services in rural areas, and push forward public health work in nationality areas; to rejuvenate traditional Chinese medicine; and to bring about the sound development of health and medical undertakings. It is necessary to uphold the principle of relying mainly on prevention; to pay attention to preventing and curing serious diseases that endanger the lives of the masses; and to strive to bring down the general incidence rate of various contagious, endemic, and pediatric and gynecological diseases. We will carry out in depth the patriotic health campaign in urban areas, and push forward the building of cities and counties that are outstanding in health care. By carrying out the "three constructions," we will make vigorous efforts to strengthen rural health and sanitary work, especially primary health care in rural areas.

We will unwaveringly pay attention to family planning, comprehensively carry out the "Sichuan Province Regulations on Family Planning," stabilize population control policies, strengthen management over birth control among the migrant population, and bring both the birth rate and the natural growth rate of the population well below 18.69 and 11.66 per thousand, respectively. It is imperative to manage land resources according to the law, to accelerate the pace of reform in the land use system, and gradually to standardize and develop the real estate market. We need to do a good job in environmental protection, and to try to harness the environment of such regions as the Tuo Jiang Valley and the mainstream of the Chang Jiang.

In accordance with the requirements of building socialism with Chinese characteristics, we will conscientiously make greater contributions to bringing out economic development and social progress by attaining success in such fields as personnel, care for the elderly, statistics, meteorology, seismology, survey and mapping, civil air defense, archives, annals compilation, literature, history, and security.

**8. Promote unity among all nationalities; accelerate the economic development of old revolutionary bases, areas inhabited by minority nationalities, border areas, and poverty-stricken areas.**

Efforts will be made to carry out the party's nationality policy in a comprehensive manner, to uphold and perfect the system of regional autonomy for minority nationalities, and to augment unity among all nationalities. Work will be done to vigorously explore and develop the economy of nationality regions by accelerating the growth rate of general supply and demand, paying major attention to the structure of dominant industries, granting preferential policies, and by providing them with greater capital support. It is necessary to accelerate infrastructure construction, including transport and telecommunications, and to do a good job in the supply of commodities to meet special needs. Continued efforts will be made to help nationality regions promote such social undertakings as education, science and technology, culture, radio and television, and public health, and to enhance the cultural, scientific and technological, and health levels of peasants and herdsmen.

It is imperative to continue carrying out the aid-the-poor work, and to expedite the economic development of old revolutionary bases, nationality regions, border areas, and poverty-stricken areas. Efforts will be taken to implement the "1987" [ba qi 0360 0003] Aid-the-Poor Program, pool aid-the-poor funds, grant special preferential policies to extremely difficult townships in poor areas, and change aid-the-poor work from social relief into production-based development. We should do a good job in giving unit-to-unit mutual support, and in expanding the economic and technological coordination between poor areas and cities, including Chengdu and Chongqing. It is necessary to carry out policies and measures aiming at promoting development in different areas, mutual complementarity, and benefit sharing, and to pay simultaneous attention to projects to "bring about a better life than one with merely sufficient food and clothing," to work to extricate our people from poverty through production and development, and to work to make people and counties rich.

Efforts will be made to carry out comprehensively the party's policy toward religions, to strengthen management over religious affairs according to the law, to firmly oppose hostile forces and splittists who attempt to use religion to carry out infiltration and sabotage, and to safeguard the national unity and unification of our motherland.

**9. Reinforce democracy and legal system, strengthen the building of spiritual civilization, and safeguard social stability.**

A high degree of democracy and a perfect legal system are fundamental guarantees for the long-term peace and stability of a country. We should unremittingly strengthen socialist democracy and the building of the legal system under the leadership of the Communist Party. As the executive organs of the people's congresses at all levels, governments at all levels should respect the functions of the people's congresses, implement resolutions adopted by them, and subject themselves to their supervision. We should consolidate and promote the patriotic united front during the new period; uphold and perfect multiparty cooperation and the system of political consultation under the leadership of the Communist Party; take the initiative to consult and discuss with the CPPCC, as well as with democratic parties, non-party figures, and mass bodies; conscientiously receive their supervision; and systematize and regularize the practice. We need to handle promptly the opinions, suggestions, motions, and bills submitted by people's deputies and CPPCC members, and to heed carefully the opinions of the masses. It is necessary to bring into full play the roles and functions of advisers, counselors, and advisory bodies, and to attach importance to handling the letters and visits of the masses.

The establishment of a socialist market economy structure urgently requires the guidance, standards, guarantees, and restrictions of a perfect socialist legal system. Therefore, we should regard the government's legal building as the foundation of its work, fulfill all the responsibilities entrusted to our government by the law, handle official business in strict accordance with the law, and ensure that the government can function with a high efficiency within the orbit of a legal system. It is imperative to coordinate the standing committee of the provincial people's congress in local legislation, especially economic legislation. We should promptly adopt local economic regulations and administrative rules urgently needed by the development of the market economy, amend and abolish outdated local rules and regulations, and ensure consistency between the legal system and government orders. Efforts will be taken to strengthen the enforcement of administrative laws, to rectify the contingent of administrative law-enforcement personnel, to standardize the administrative law-enforcing behavior of major administrative law-enforcement bodies, to crack down on major law-breaking administrative behaviors, and to safeguard the fairness and truthfulness of administrative law-enforcement organs. Continued strides will be taken to carry out the second five-year plan on universal legal education; to study, obey, use, and enforce laws; and to reinforce the legal concepts of the vast cadres and masses. It is imperative to accelerate reform in the system of legal practitioners and notaries, and to provide the public with satisfactory legal services.

Earnest efforts should be made to strengthen comprehensive control over social security. It is necessary to act in accordance with the principle that "whoever takes charge should take responsibility"; to encourage all social sectors to impose concerted control over public security; to carry out comprehensive control measures down to the level of villages, neighborhoods, enterprises, schools, administrative institutions, and residential quarters, as well as to take precautions against possible troubles. Work should be done to give full play to the role and functions of public security and judicial administrative organs, to act in close coordination with procuratorial and judicial organs, to focus our attention on special-purpose campaigns, to strike relentless blows at various crimes and at major economic criminal activities, and to hand down severe punishments to a number of lawbreakers according to the law. Struggles against pornography and the "six evils" should be carried out continuously, with a view to resolutely eliminating all evil social phenomena. We should handle correctly the contradictions among the people during the new period; try to solve these contradictions in a positive way through prevention, education, management, and construction; stabilize society and popular feelings; and create a sound social environment for reform, opening up, and the modernization drive. Fire control should be reinforced and safety measures adopted.

Continued efforts should be made to enhance the consciousness in "doing two types of work simultaneously, and attaching equal importance to both"; to firmly grasp the main theme of cultivating people with ideals, morality, culture, and discipline; and to carry out our work in a down-to-earth manner. We will organize the vast numbers of cadres, especially leading cadres at all levels, to conscientiously study the "Selected Works of Deng Xiaoping," volume three; to arm our minds with his theory of building socialism with Chinese characteristics; and to turn this theory into the spiritual pillar of the entire nation. We will carry out extensive education on patriotism, collectivism, socialism, and the 64-character pioneering spirit advocated by Comrade Jiang Zemin, and will guide people—especially teenagers and young people—to carry forward the traditional virtues of the Chinese nation and cultivate correct ideals and beliefs, as well as outlooks on the world, life, and values. We should have a clear-cut stand on opposing money worship, out-and-out egoism, and decadent lifestyles. Work should be done to strengthen management over the cultural market through legal, economic, and administrative means, as well as through media supervision; to maintain sound control over the two links of production and circulation; never to allow vulgar things to erode the general mood of society; to resolutely ban compensatory news coverage, as well as the purchase and sale of registered publication serial numbers; to firmly eliminate the publication of materials that violate state policies toward minority nationalities and religions; and to hand down punishment to those who

distribute publications that contain serious political mistakes, leak state secrets, or include pornographic content. Continued efforts will be made to carry out the activity of building civilized cities, units, villages, and townships, as well as the activities of "three promotions" and "three kinds of households" in rural areas. Close attention needs to be paid to the protection and utilization of cultural relics.

Strides should be taken to strengthen education among all the people on national defense so as to enhance people's national defense awareness; to build up more exemplary cities and counties in providing "two supports"; to augment unity between the Army and the government, and between the Army and the people; and to do a good job in resettling ex-servicemen and soldiers transferred to civilian work, as well as in the reserve service of the militia.

#### **10. Strengthen the building of clean and industrious administration, and push forward structural reform of the government**

Our governments at all levels are governments for the people, and therefore should serve the people, heart and soul. All government workers are servants of the people who should be clean and self-disciplined, diligent in carrying out their official duties, and willing to be dedicated. All our cadres should voluntarily subject themselves to the legal supervision of the people's congress, the democratic supervision of the CPPCC, and supervision by the vast numbers of the masses and the media, and should become real servants of the people and real pioneers of economic and social construction.

Continued efforts should be made to strengthen the building of a clean government, and carry out the in-depth struggle against corruption. We should strictly enforce laws, administer the government in a persistent manner, give education on how to fight corruption, advocate clean administration, and urge leading cadres at all levels to remain clean and self-disciplined in the exercise of their official duties. Across the province, leading cadres at and above the county (departmental) level should resolutely abide by the five requirements on clean administration and self-discipline which the CPC Central Committee has set for the leading cadres of both party and government organs. It is imperative to step up supervision by supervisory and auditing departments, continue investigations into major and serious cases, and hand down severe punishment to degenerates. Continued efforts should be made to carry out special-purpose campaigns, and to put an absolute end to unhealthy trends that are strongly opposed by the people and that have hampered the image of the people's government, such as abuse of power for personal gain through the arbitrary collection of funds. Administrative discipline needs to be reinforced so as to ensure the smooth implementation of government orders.

Governments at all levels should do their work in accordance with the requirements of the party Central Committee and the State Council on the structural reform of local government organs, draw up implementation plans according to realistic local conditions, and put these plans into practice step by step. In drawing up and implementing plans for the structural reform of government organs, we must fully expound and prove the necessity of the reform, extensively heed the opinions of all social sectors, conscientiously carry out ideological and political work, try our best to resettle surplus personnel through various channels, and ensure a normal work order.

The structural reform of government organs should be carried out in accordance with the principle of separating the roles of the government from the functions of enterprises, as well as the principles of efficient and simple administration, unity, and efficiency, with a view to changing the functions and roles of such organs, rationalizing relations, streamlining the administrative structure, and enhancing work efficiency. It is necessary to reduce the numbers of staff and internal organs, and to reinforce the functions of such organs in macroeconomic control and regulation, social security, and supervision. This year, we will focus our attention on the structural reform of administrative organs at the provincial level, while experimenting further with the structural reform of organs at the county level. Newly established cities and prefectures should determine their functions, organizational structures, and establishment according to structural reform plans that have been approved already. Other prefectures, cities, autonomous prefectures, and counties also should make good preparations for the structural reform. The logistical services of administrative organs should be socialized. It is necessary to reinforce the organizational construction of grass-roots organs of political power and grass-roots organizations, and to pay close attention to the follow-up work in abolishing administrative districts, merging townships, and establishing towns.

The structural reform of government organs has a direct bearing on our country's economic development and social stability, and also on the immediate interests of the vast numbers of cadres and staff. It is imperative, therefore, to positively and steadily put into practice the civil service system under the prerequisite that governments at all levels have determined their functions, organizational structure, and establishment.

We should carry out persistent investigations and studies with the aim of enhancing the scientific level of policy decisions made by the government. Government organs at all levels should change their work style and methods, advocate the practice of carrying out investigations and studies, and remain industrious in carrying out official duties in a down-to-earth manner. Leading cadres should go down to the grass-roots level to acquaint themselves with the real situations there and obtain first-hand information; they should discuss with the masses when encountering problems, closely integrate the spirit of the central authorities with local realistic conditions, and strive to attain the goal of seeking truth from facts and of making policy decisions in a democratic and scientific way. We should attach great importance to the work of consultation organs, which help in making policy decisions. It is imperative to uphold and perfect the target management system in administrative organs, strengthen administrative supervision, and try to enhance the efficiency and quality of our work.

Comrade Jiang Zemin has pointed out: "Our socialist modernization construction still remains at a pioneering stage of difficult struggle, and our great pioneering practice still requires the support and encouragement of a great pioneering spirit." We should give wide publicity among all cadres to the spirit of doing pioneering work with arduous efforts, and should carry forward all the traditional virtues of the Chinese nation in rejuvenating the country through difficult struggle. All state workers should follow the example of Mao Zedong, Zhou Enlai, and other proletarian revolutionaries of the older generation; try to be the first to bear hardships and the last to enjoy comforts in the great practice of reform, opening up, and the modernization drive; spare no effort in performing their duties; and strive to turn themselves into good servants of the people.

#### Fellow deputies:

Reform and development are the main theme of our times. As long as we uphold as our guidance Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; persistently carry out the party's basic line; conscientiously implement the spirit of the Third Plenary Session of the 14th CPC Central Committee under the leadership of the party Central Committee, the State Council, and the Sichuan Provincial CPC Committee; forge ahead in unity; have the courage to open up new paths; and carry out our work in a down-to-earth manner, we surely can bring to Sichuan sustained, rapid, and healthy economic development, as well as comprehensive social progress, and surely can realize the goals of our struggle.

**Tianjin Government Work Report Read at Congress**

SK1903125194 *Tianjin TIANJIN RIBAO* in Chinese  
8 Mar 94 pp 1, 2

[Tianjin government work report delivered by Zhang Lichang, mayor of Tianjin Municipality, at the second session of the 12th municipal people's congress on 2 March: "Seize the Opportunity, Unite To Brave the Way Forward, and Create a New Situation in Reform, Opening up, and Development"]

[Text] Fellow deputies:

On behalf of the Tianjin Municipal People's Government, I will now present a government work report to this session for discussion. Members of the municipal committee of the Chinese People's Political Consultative Conference [CPPCC] and other personnel attending this session as observers please give opinions.

**1. Review of the Past Year's Work**

The year 1993 was one in which we comprehensively implemented the guidelines of the 14th party congress and advanced triumphantly along the road of building socialism with Chinese characteristics. Under the leadership of the party Central Committee, the State Council, and the Tianjin Municipal party committee, the municipal people's government firmly relied on the people throughout the municipality, worked hard together, actively made progress, fulfilled the annual tasks defined at the first session of the 12th municipal people's congress fairly successfully, scored new achievements in reform, opening up, and economic development, and effected new changes in the work in all fields.

**A. The national economy developed in a rapid and healthy manner.**

Tianjin's GNP was expected at 50.3 billion yuan, an increase of 11.8 percent, which was the second highest annual growth rate since reform and opening up started. The industrial output value totaled 124.7 billion yuan, an increase of 24.5 percent, the marketing rate rose, economic efficiency picked up, the endeavor to end deficits and increase profits yielded good results, and deficits declined in terms of comparable standards. The rural economy developed in a sustained manner, and bumper grain harvest was won for the 10th year in succession. The production of meat, eggs, vegetables, milk, and aquatic products remained stable, their quality was improved, and their supplies were ample. Township enterprises maintained the trend of fairly high growth continuously. Urban and rural markets were thriving, with commodity retail sales increasing by 18.4 percent; and the retail price index remained at a fairly low level among the 35 large and medium-sized cities in the country. Cargo loaded and unloaded at ports totaled 37.18 million tonnes, up 26.9 percent. Post and telecommunications, banking, insurance, and

real estate businesses all registered fairly rapid development. Local revenue totaled 7.31 billion yuan, an increase of 21.8 percent, which was the largest annual increase in more than a decade.

**B Reform continued in various fields.**

The methods to implement the "regulations on transforming the operating mechanism of the industrial enterprises owned by the whole people" and 26 supporting policy measures were issued. We gave approval to 25 new shareholding enterprises and limited liability companies to bring the total number to 58, and three of them had their shares listed. Over 60 percent of our commercial enterprises and over 1,000 rural collective enterprises switched to private management while retaining their state-owned status or became shareholding cooperatives. Individual and private economies continued to expand. We made an important step ahead of others in the country in extending the separation of tax payment from profit delivery in an all-round manner and in unifying the income tax rate. Construction of large markets was notably accelerated in the past couple of years, and 28 markets for iron and steel furnace charge, petrochemicals, coal, chemicals, textile raw materials, motor vehicles, and other means of production were built. Forty-one consumer goods markets were built last year. National trade fairs for rolled steel, building materials, and motor vehicles were held successfully. Our total amount of money lending in the monetary market ranked second in the country. Fifty securities institutions of various categories were approved. Labor service, technology, personnel, information, and real estate markets also made new headway. Coverage of old-age pension insurance and unemployment insurance was expanded, and social security upgraded. The government changed functions and improved work styles to form a system where work is handled by departments jointly and finished within a fixed time, and strengthened service to grass roots.

**C A good trend emerged in opening to the outside world.**

The scope of foreign capital Tianjin used and the fields of investment were expanded continuously, and a number of well-known large international companies and consortia made investment vigorously. Contracts for 3,538 new foreign-funded enterprises of the three types, an increase of 118 percent, were signed; and the contracted amount of investment totaled \$3.5 billion, an increase of 82.5 percent, of which \$2.25 billion would be made by foreign firms, an increase of 85 percent. The development of the development zone was accelerated, industrial output value, taxes, and profits doubled and redoubled, and 14 of its indicators ranked first in all of the development zones in the country. The bonded zone developed rapidly, with 2,148 enterprises approved and \$1.06 billion worth of goods entering and leaving the zone. The construction of

the 12 small zones entered a stage of substantial development. Construction of Tianjin's ports was notably accelerated, and their volume of imports and exports totaled \$12.5 billion, an increase of 20 percent. Tianjin's exports totaled \$1.928 billion, an increase of 10.9 percent. Contracted overseas labor and tourism all witnessed growth. Lateral economic ties expanded continuously and domestic funds brought to Tianjin approached 1 billion yuan.

#### D. Construction of key projects proceeded smoothly.

Tianjin's investment in fixed assets totaled 22.43 billion yuan, up 32.1 percent. This breaks down into an increase in local investment of 42.3 percent, and 66.5 percent in the investment in equipment renewal and technical transformation 66.5 percent. The progress of all the 55 key projects was up to the requirement, and 21 of them were completed or by and large completed. The seamless steel tube project began trial production, and a number of projects of joint investment with manufacturers of brand-name products in the world, such as Zanussi compressors, Honda motorcycles, and Samsung video recorders, completed smoothly. The no. 8 generating unit of the Junliangcheng Power Plant was fed into the power grid and began to generate power; the Beijing-Tianjin-Tanggu Expressway opened to traffic in all sections; the Tianjin port took the lead in the country in possessing the capacity to transport the fourth-generation container ships, and its construction of piers was completed. The sewage treatment plant with a daily capacity of 400,000 tonnes was built and commissioned. The domestically advanced three-tier interlinked Wangdingdi overpass was completed at a high speed and in high quality to improve the traffic of this area; and the underground passage of the north station was successfully renovated to put an end to the long-standing traffic congestion and leakage on rainy days. The Jili Mansion and the commercial city of the development zone opened business. All these projects upgraded the city's function as a carrier, improved its investment climate, and enhanced its economic strength.

#### E. Science and technology, education, culture, and sports made new headway.

The principle of developing Tianjin through the application of science and technology was further implemented. We won 694 new scientific and technological achievements, of which 67 percent were put into production and application. Industrial enterprises produced 1,400 new products to increase their output value by 7.17 billion yuan, or 38.4 percent. Total income from technological and industrial undertakings and trade in the new-tech industrial park registered a 100-percent increase. Education developed continuously. We successfully held the municipal educational work conference, accelerated educational reform, and further increased the educational investment. The nine-year compulsory

education was made universal in 95.5 percent of the rural areas, and elimination of illiteracy among young and middle-aged people met state requirements. The educational structure and establishment of disciplines were improved upon. Sports undertakings were strengthened. Six-hundred eighty-nine hospital beds and a basic emergency medical network was established throughout the municipality. Family planning yielded notable results, with the birth rate and natural population growth lower than the state-assigned norms. Culture, sports, broadcasting, press, publications, and social sciences developed. Breakthroughs were made in film and television program production, and a number of them won prizes at home and abroad.

#### F. Living standard improved steadily.

The 20 practical jobs designed to improve urban and rural living standards set by the municipal government were all accomplished. New houses totaling 2.42 million square meters were built, an increase of 620,000 square meters over the preceding year; floor space equipped with heat supply systems increased by 2.1 million square meters; and households supplied with gas increased by 21,000. A number of major pollution sources were brought under control, tree-planting tasks fulfilled, and basic facilities for environmental protection strengthened, thus enabling Tianjin to maintain the title as one of the 10 most clean cities. Urban and rural people's income continued to increase. Urban people's per capita cost of living income was 2,579 yuan, up 5.4 percent when allowing for price rises; and rural people's per capita net income was 1,593 yuan, up 13 percent, and the per capita net income of poverty-stricken villages grew by 100 yuan.

By earnestly studying the socialist theory of Comrade Deng Xiaoping with regard to building socialism with Chinese characteristics and vigorously developing the pioneering spirit of the new historic period, governments at all levels paid attention all along to successfully building the spiritual civilization. The struggle against corruption was carried out in a down-to-earth manner and these governments scored periodical results in it. Leading cadres conducted self examination and correction in line with the five regulations of building administrative honesty and exercising self-discipline. A large number of major and appalling cases were investigated and handled, malpractices cropping up among various industries and trades were corrected, and 296 illegal charges were abolished. The municipality further enhanced the construction of democracy and legal systems; earnestly accepted the supervision over law enforcement, work, and democratic implementation; and implemented the procedural law of administration. These governments extensively solicited and listened to the opinions and suggestions raised by the deputies of the municipal people's congress and the members of the municipal CPPCC

committee and broadened the exposure of the people's government work. They expanded the channel of making contacts with the masses by establishing a special telephone line and doing a good job in handling people's petition letters and visits. They also further enhanced the comprehensive management of public security and steadily maintained the honorary title of the municipality that is one of the regions across the country, which have been the best in social peace.

The municipality scored achievements and made progress in its work of 1993. However, it also suffered some problems and shortcomings. The economic results of a large number of enterprises were poor and the income of some staff members and workers was low. Progress in foreign trade and exports was not fast enough. The proportion of tertiary industrial enterprises was not high enough. The market scale required further expansion in the year. Some government personnel still indulged in formalism and bureaucracy and engaged in corrupt practices. Malpractices cropping up among various industries and trades still needed to be continuously and vigorously corrected in the year. We should pay great attention to these problems and earnestly resolve them.

Fellow deputies: Achievements scored in 1993 resulted from people throughout the municipality in doing pioneering work arduously and uniting as one in making progress, which can not be separated from the fine foundation laid over the long time, which are the embodiment of wisdom and energy of veteran comrades, and which benefit the predominantly favorable environment of the country as a whole. Hereby, on behalf of the municipality people's government, I would like to extend heartfelt thanks to various fronts; to workers, peasants, intellectuals, and public security cadres and policemen, who have industriously worked for the prosperity and development of the municipality; to all commanders and fighters of the Tianjin garrison district, the People's Liberation Army [PLA] units stationed in the municipality, and the armed police forces, who have shared weal and woe and worked side by side with the municipality; and to various democratic parties, industrial and commercial federations, nonparty personages, and mass organizations, who have shown utter devotion to and given full cooperation to the municipality.

## 2. The Work Guideline and Major Tasks of 1994

The sixth municipal party congress and the first session of the 12th municipal people's congress held in 1993 defined the general target of development for the coming period, in which the municipality should strive through its 20-year struggle to become one of the regions to take the lead in basically realizing modernizations. Economic development should be improved to the following two new levels: The municipality should fulfill the target originally set for the year 2000, of quadrupling 1980's

GNP, by 1997. By 2010, the municipality should double the GNP again and build itself into a center of commerce, trade, and finance for north China; into a comprehensive industrial base with advanced technologies; and into a large city with modern international harbor facilities opening up to all directions of the world. To fulfill the aforementioned target, we feel that duties imposed on us in this regard are great and heavy. We must make efforts to work hard, to pioneer the road of advance, and to work out details for the target and tasks so as to enable leadership at all levels to sense the responsibility and pressure as well as to enable the people throughout the municipality to be hopeful and encouraged. Based on earnestly summarizing the experience gained in the practice over the years, and in line with the new situation and the desire of the people across the municipality, we have defined the following four targets for implementation: The municipality will exceed the target of quadrupling the GNP in three years by 1997 and maintain the annual average growth rate of 11 percent. In five or seven years, the municipality will basically fulfill the task of rebuilding the dangerous and shabby residential houses on a large scale and create conditions for realizing the per capita housing acreage of 8 square meters. In about eight years, the municipality will take reform as motivation to improve the state-owned large and medium-sized enterprises by conducting technological grafting, readjustment, and renovations. In about 10 years, the municipality will basically complete construction of a new coastal region. Simultaneously, we should regard the increase in the peasants' income as the focal point of agriculture and rural economic work and double the peasants' per capita income in the next five to seven years. These targets are related to one another. In making the economic work arrangements, we should lay emphasis on developing new areas and rebuilding old city proper. In regard to the priorities of development, we should attach importance to enlivening large and medium-sized state-owned enterprises and developing the rural economy. In regard to the relationship between production and livelihood, we should base ourselves on developing production and regard the improvement of the people's livelihood as a point to start with and conclude our work. To realize these targets, we should further deepen reform and expand the scale of opening up. We should not only grasp new economic growing points and accelerate the development of new economic areas but also grasp the reconstruction of old city proper and the transformation of old enterprises and accelerate the pace of readjusting and enlivening the existing enterprises. We should grasp the work of every year, make good strides, and be sure to make new changes every year and to make big changes in five years.

The year 1994 is a key year to maintain the good economic development trend as well as to promote reform. The basic principles governing the work of the whole party and the whole country in 1994, as set forth by the party Central Committee, are: Take Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the basic line of the party as a

guidance; comprehensively implement the 14th party congress and the third plenary session of the 14th party Central Committee; accelerate the setup of the socialist market economic system; maintain fast, sustained, and sound development of the national economy; safeguard political stability; and comprehensively promote social progress. The overall work situation of the whole party and the whole country is as follows: Grasp favorable opportunities to deepen reform, expand the scale of opening up, promote development, and maintain stability. All of our work should submit to and serve this overall situation. It is necessary to grasp the relationship among reform, development, and stability. We should conscientiously implement the tasks as set forth at the second (enlarged) plenary session of the sixth municipal party committee. All localities, departments, and trades and professions should foster the sense of high urgency and the sense of high responsibility; keep forging ahead; and attain high standards, high efficiency, high quality, and high benefits. Major economic targets should be better than those of last year. New headway should be made in the work in various spheres. The major economic and social development targets and tasks are as follows: The national economy should develop in a sustained, fast, and smooth manner. The municipality should ensure a 9-percent increase of the GNP and strive to register a 12-percent increase in order to attain the requirements for fulfilling the quadrupling target three years ahead of schedule. The local revenues should increase by over 15 percent if calculated in terms of comparable items. It is necessary to further deepen reform. According to the state unified arrangements, we should positively organize forces to implement the major measures for reforming the financial and tax, monetary, investment, planning, foreign trade, and price systems; accelerate the change of the state enterprise mechanisms; explore effective ways for setting up the modern enterprise system; focus on cultivating the markets for production factors; expand the scale of markets; and enhance the influential power. We should make a breakthrough in opening to the outside world. The amount of foreign capital that are really used should increase by over 29 percent and the foreign export trade volume should increase by 14 percent. People's livelihood should greatly improve. The increase in the urban and rural residents' income should be higher than that of last year. The municipality should set a historical record in building urban residential houses. A total of 3.6 million square meters of houses should be completed during the year. A stable social environment should be created for reform and development.

Fellow deputies! Our development goals are grand, and tasks arduous. To attain these goals, we should have a correct understanding and control of the situation. It will become a general trend for some time after the 14th party congress and the third plenary session of the 14th party Central Committee to promote the establishment of the socialist market economy system in an all-round manner, deepen reform, open wider to the outside world, and facilitate development. Development

throughout the country, especially in coastal areas, is very fast, and some medium-sized cities are rapidly rising. The situation is spurring us on. As China's important coastal open city, Tianjin should and can develop faster in compliance with the requirements of the central authorities. It has great potential. Since reform and opening up started, it has effected profound changes in all economic and social undertakings and notably enhanced its economic strength. It has notably accelerated its reform and opening up over the past two years and created a trend of rapid and healthy development in the economy. A number of old enterprises have transformed their mechanisms, increased their vigor, and become more adaptable to the market. This should be attributed to the foundation we have laid over the past many years. Cadres and the masses in the municipality have a high spirit and morale to change the outlook of their hometowns as soon as possible. All this provides a favorable condition and foundation for us to achieve better development.

Of course, we should also remain clear-headed to note the numerous contradictions and difficulties on our road of advancement and the possible factors difficult to predict. However, favorable conditions can be transformed into unfavorable ones, and vice versa. Favorable conditions depend on our efforts to apply and create; and unfavorable conditions depend on our efforts to transform and overcome. With same conditions and difficulties, all work depends on human efforts. The key to whether Tianjin can create a new situation and achieve faster development lies in our mindset, morale, determination, and work level. In short, our reform and development are faced with a golden opportunity, and favorable conditions are the main stream. Such a good historical opportunity is rare and extremely valuable. Time and tide wait for no one. As long as we firmly rely on the people throughout the municipality, emancipate our mind more, and work harder, we will be able to attain our goals!

### **3. Maintain Sustained, Rapid, and Healthy Economic Development**

The basic way to accelerate development lies in reform and opening up. We should properly handle the relationship between quantity and quality and between growth rate and efficiency in line with the law governing economic development, make great efforts to restructure the economy, promote technological advance, and conscientiously channel economic work to the track focusing on improving economic efficiency.

A. We should deepen reform to invigorate the existing amount of the economy.

To achieve faster development, we should focus on deepening the reform of state-owned enterprises, add impetus to the reform, transform the mechanism more rapidly, devote more efforts to invigorating the existing amount of the economy, ensure that state-owned assets maintain and increase their

value, and fully develop the potential of large and medium-sized state-owned enterprises.

First, we should comprehensively deepen enterprise reform, continue to thoroughly implement the "enterprise law" and the "regulations," and make sure that enterprises have responsibilities, powers, and profits. We should achieve success in the reform of the three systems within enterprises and make more than 80 percent of the state-owned enterprises meet the requirements for transforming the operating mechanism. We should make arrangements for 180 large and medium-sized state-owned enterprises to conduct multiform reform of the property right system and select 30 enterprises to try out the modern enterprise system. Small state-owned enterprises may be managed on a contract or leasing basis, reorganized into shareholding enterprises, or sold to collectives or individuals. While promoting reform, all enterprises should attach importance to management and master skills to increase efficiency and improve enterprise quality to become more adaptable to the market and more competitive.

Second, it is necessary to combine reform with grafting transformation, readjustment, and reorganization. We should apply different methods to solve different enterprises' major problems and make sure that the remedy suits the case. The enterprises with good economic results, wide markets, and prospects for development should exert efforts to expand the scale of development and upgrade their quality. The enterprises with ordinary efficiency should exert efforts to renew their equipment and technology and to develop readily marketable products. Money-losing enterprises should exert efforts to enliven themselves separately, halt deficits, and increase profits. At present, money-losing enterprises should ensure the basic income of its staff and workers. The enterprises that suffer long-term losses and whose assets cannot cover the debts should declare bankruptcy according to laws. The municipality should delegate as soon as possible the rights to managing the enterprises that the municipality find it inconvenient for management and that the districts are not willing to manage. This year, we should comprehensively accelerate the pace of grafting transformation. All enterprises, no matter what sizes they are and no matter how many economic results they can create, can be developed so long as foreign traders are willing and we can gain benefits. We should have a number of large and medium-sized enterprises establish contacts with foreign businessmen. By conducting grafting transformation, we should solve problems related to capital, technology, products, and sales; change mechanisms; and promote enterprise management.

Third, it is necessary to positively encourage trades and industries to shift lines of operation. This year,

we should be determined to adopt effective measures, including necessary administrative methods; guide and promote enterprises to break the bounds of trades; and carry out the method that trades and industries shift the lines of operation. Particularly, the enterprises that are located in the "golden" areas and fail to create good economic results should be encouraged to shift the lines of production and to develop a diversified economy. All enterprises should go into action, determine their course of action according to market demands, and liberate themselves.

Fourth, we should accelerate the reform of the social security system. We should continue to expand the scale of unified social arrangements, upgrade socialized progress of insurance for the aged, expand the extent of insurance coverage for the unemployed, and have insurance cover the staff and workers of private enterprises. We should further reform the current system of medical treatment with public funds and labor insurance, and further reform the insurance process for job-related injuries, and create conditions for state-owned enterprises to change their mechanisms. It is necessary to accelerate urban housing reform and set up, in a step-by-step manner, a new system of commercializing the houses dominated by market regulation and supplemented by social guarantees.

B. We should comprehensively enliven the construction of the new coastal area.

Cultivating new economic growing points is a key way for developing incremental and increasing aggregates. At the time of vigorously developing new high-tech industries, town and township enterprises, three types of foreign-funded enterprises, collective enterprises, and private and individual sectors of the economy, we should concentrate energy on building the new coastal area, accelerate the pace of development and opening up, and create some new economic advantages.

With the accumulated efforts of the municipal party committee and the municipal government, the ideas of accelerating the construction of the new coastal area have matured. The general ideas are as follows: Take Tianjin Harbor, development zone, and bonded area as a framework; take metallurgical industry and chemical industry as a foundation; have commerce and trade, banking trade, and tourist trade vie with one another for development; and form a new, highly opened, modernized, economic zone with new industries and the export-oriented economy playing a dominant role, with the free harbor area as an orientation area of development, with complete sets of infrastructural facilities, with complete sets of service functions, and with the capability to cater to the 21st century. Through the development and construction in the next 10 years or so, we should have the new area's GNP and foreign

exchange earnings from exports account for more than 40 percent of the municipality's total. Along with the gradual realization of this target, we will be able to create conditions to rehabilitate and revitalize the old enterprises and to create a situation where the old city proper supports the new area, the new area promotes the development of the old city proper, and both the new area and the old city proper make common development.

We should make a unified plan to develop and construct the new coastal area, implement the plan in a step-by-step manner, mobilize the enthusiasm of all fronts and concentrate energy to rapidly develop the new area, ensure that the new area's GNP will increase by more than 20 percent annually, and make it the fastest area of economic development in Tianjin. First, we should accelerate harbor construction and carry out in an overall way the construction of docks for energy resources. We should also accelerate the construction of Nanjiang bridge and basically fulfill the task of doing the earth work for the sewage disposal center project. We should increase the capability of loading and unloading international containers to more than 500,000 containers per annum and the annual loading and unloading volume of the harbor to over 40 million tonnes. We should build Tianjin Harbor into a first-grade one for the country. Second, we should promote the fast development of economic development zones and bonded zones. The development zones should continuously broaden their operation of inviting business, further raise funds for development, realize their industrial output value of 11 billion yuan, and continuously maintain their leading positions in various economic targets in the country. The bonded zones should accelerate the construction of the second-phase development projects and vigorously develop international trade by drawing on the methods of international free trade to promote the connection between domestic and foreign markets. They should also foster the auxiliary service system among storage, transport, and processing so as to build themselves as soon as possible into a showcase of north China in international trades. Third, we should do a good job in building heavy and chemical industrial zones. The original enterprises in this regard should be improved to a new level. The pace of new projects under construction should be accelerated. Hereafter, in formulating key industrial projects we should merge these projects with those in the heavy and chemical industrial zones in principle. Old enterprises located downtown, which require renovation, should accelerate their production merger with the projects in these zones. Fourth, we should accelerate the construction of infrastructures. By making full use of funds in various fields, we should ensure the construction of the overpass on Xinhua street in Tanggu district, the Tianjin highway section on the Shan-Guang highway, the Gang-Tang

highway. We should build the heating and power plant, water plant, and the project of diverting the Luanhe water to Hangu district as soon as possible in the development zones. Efforts should be made to actively seek foreign funds to build the express highway between the downtown area and the new coastal region. In line with the development of the new coastal region, we should accelerate the construction of the communications network among maritime, land, and air transportations.

#### C. We should broaden the utilization of foreign funds in all directions.

Being a coastal, open city, Tianjin Municipality must successfully concentrate its efforts on opening itself to both fraternal provinces and foreign countries so as to foster a situation in opening up in various fields, at the high level, and in all directions.

We should utilize foreign capital on a large scale. We have fostered an upsurge in utilizing foreign capital this year so that we could take the advantage to make progress and to accelerate the utilization in this regard. We should chiefly make great and important progress in directly utilizing foreign capital and also actively broaden the channels of seeking government loans, the loans of international financial organizations, and credit offered by foreign countries for exports. As long as they conform with the state policies, all primary, secondary, and tertiary industry enterprises in various fields are welcome to seek these loans for their large, medium-sized, and small projects and will be allowed these loans with the adoption of cooperative measures. In particular, we should firmly grasp loans for the basic industries that will make use of an imported technology so as to promote the production of a large number of plants and make efforts from top to bottom to ensure the loans for the key projects of building infrastructures. We should regard the volume of introduced foreign capital and of used foreign capital as well as the benefits exerted by the foreign capital that is introduced as a yardstick measuring the work done by the departments concerned in this regard.

We should vigorously create a new situation in foreign trade and exports. Efforts should be made to deepen reform in the system of foreign trade, to accelerate the structural readjustment of export commodities, and to upgrade the standard of intensive processing. We should also increase the export proportion of machinery and electric commodities and support the enterprises that are exporting their products on a large scale. Efforts should be made to actively open markets of multiple categories, to do a good job in sponsoring a China export trade fair in Tianjin, to develop enterprises established in outside places, to broaden the fields of sales in various

industries and trade, to expand the export standardization of Tianjin export harbor, and to bring into full play the municipal harbor's role of linking Europe and Asia. We should vigorously increase incomes earned from the non-trade business, expand labor migration and contracts for construction projects in foreign countries, and develop the undertakings of tourism as well as of ocean shipping and air cargo that can earn foreign exchanges.

We should vigorously improve the investment environment. Various social circles, every department, and every resident across the municipality should set an example in this regard and regard the work of making business more convenient for foreign businessmen as their work emphasis. On the premise of mutual benefits and interest, we should not fear the money-making of foreign businessmen but should be able to account for it in an overall way as well as to have benefits in mind. We should persist in the methods of coordinated service and all-embracing service stations to provide quick and highly efficient service. Based on the opinions of most foreign firms, we should revise and improve policies in a timely manner to promote the development of more projects, but we will never force the projects to start when conditions are harsh. We should continue to send people out and invite people in; take advantage of various channels and opportunities more successfully to extensively publicize Tianjin and make it better known; make friends with others widely; and bring in investment from abroad. In particular, we should attach importance to developing the role of influential persons and large companies and consortia throughout the world in bringing in funds from abroad and strive to turn Tianjin into the most attractive place for investors.

We should play the "service card" well. Tianjin's opening is multi-directional, and its service should be as well. People all over the municipality should embrace a strong sense of service. We should do a good job both in opening to the outside world and in serving domestic places; serve both the areas around the Bohai Bay and the areas in north, northeast, and northwest China; and serve both central departments and other provinces and municipalities. Meanwhile, we should also serve the offices of other localities stationed in Tianjin. We should open Tianjin's door wide, win a good reputation and bring in more information, personnel, and funds with first-rate service, and promote cooperation and achieve development in service.

D. We should accelerate the cultivation and development of the market system.

To develop Tianjin's role as an economic center, we should cultivate large markets, develop large-scale commodity distribution, and speed up construction of a center for commerce, trade, and finance. We should consider the cultivation and development of

the market an important part of the government's endeavors to change functions and serve enterprises and place it in a more prominent position. We should further adopt preferential policies and effective measures to consolidate and develop existing trade markets, expand their business scope, and improve their trade environment to form a greater climate. We should build another group of markets for essential elements of production and open some futures exchange centers on a trial basis. We should continuously expand the scope and categories of various types of securities to provide favorable conditions for opening the third stock exchange in the country. We should make active efforts to prepare for the establishment of the gold exchange center. We should step up construction of the northern property rights exchange market, technology exchange market, and personnel market geared to the entire country. In coordination with the renovation of the old city proper, we should expand and improve the real estate market. We should strive to build another group of large trade markets. We should actively develop the various kinds of intermediary service organizations; make the national spring commodity trade fair and national rolled steel trade fair successful; and strengthen the monitoring, regulation and control, and management of the market. Meanwhile, we should strive to develop transportation, post, telecommunication, information consultation, catering service, tourism, and recreational undertakings to make Tianjin more vigorous and prosperous.

E. We should pay attention to construction of key projects.

To promote its economy to a new height, Tianjin should strive to establish a number of pillar industries and produce a number of highly competitive products that are of a large scale and high level and that hold a large share in the market in order to increase its competitive edges and capacity for sustained development. We should step up the "222" project [The project in which Tianjin focuses on the automobile industrial corporation, the steel tube company, and 20 municipal-level key enterprises, and in which various bureaus, districts, and counties focus on 200 key enterprises]. We should establish the capacity to produce 150,000 Xiali-brand cars a year and make the seamless steel tube project meet the designed capacity as soon as possible so as to gain better returns on investments. Construction in the ethylene and polyester projects should be expedited. The production of 20 key products, such as program-controlled exchanges, video recorders, engineering machines, metal products, and chemical fibers, should be expanded and upgraded so as to improve efficiency. We should actively support the development of petroleum, chemical, and other enterprises stationed in Tianjin. Light industry, textile industry, medical industry, and building material industry should be restructured and renovated

with imported technology and funds according to established priorities, and we should make sure that good results are achieved after every restructuring. All districts, counties, and bureaus should also direct attention to their own key projects.

It is necessary to accelerate the construction of urban infrastructure. This year, we should ensure that the whole inner-ring road be joined, build four new overpasses, and expand and rebuild a number of roads to clear up traffic congestion. It is necessary to make good preparations for the pre-phase project of diverting water from south to north. We should continue to build the second-phase project of Xinkaihe water works, accelerate the construction of Jixian power plant and Chentangzhuang thermal power plant, install 450,000 urban telephone lines, positively arrange the construction of the no. 3 coal gas plant, and ensure the completion of projects for supplying heat for 3 million square meters of houses. It is necessary to accelerate the development of a group of projects that have been signed, including Huaxin Commercial Building, Yongji Garden, Fuyu Square, and Hechuan Building. Some 700,000 square meters of commercial areas will be built during the year.

#### F. We should ceaselessly expand the rural economy.

We should comprehensively implement the central authorities' "policy measures for developing agriculture and the rural economy," take the increase of the peasants' income as the main target, strengthen agriculture's role as the foundation of the national economy, and make faster development in the rural economy. We should vigorously improve the agricultural production conditions and upgrade the overall agricultural production capability. It is necessary to speed up the readjustment of the agricultural structure and develop high-yield, good-quality, and high-efficiency agriculture. We should pay high attention to the "vegetable basket" project, increase the varieties of products, upgrade the quality of products, and expand the scale of production.

It is necessary to improve the production bases for foodstuffs. Governments at various levels should vigorously increase the input to agriculture and exert great efforts to achieve the construction of farmland water conservancy projects and the basic service system. It is necessary to enhance the disaster-fighting capability, to strictly bring the occupation of cultivated areas under control, to accelerate the development of town and township enterprises, to deepen internal reform, to clearly define property rights, to keep flexible mechanisms, to gradually set up dominant industries and dominant products, and to form regional economic advantages. We should increase, by a big margin, the proportion of the export-oriented economy, accelerate the construction of 12 small development zones, and expand the capability of creating foreign exchange through

exports. It is necessary to accelerate the construction of small, modern towns. This year, we should first build 10 central towns on a trial basis and gradually form a system of reasonably-distributed small towns of different scales and with different special features. It is necessary to accelerate the construction of comparatively well-off villages. The villages that have become comparatively well-off should upgrade their standards. Those that approach the level of being comparatively well-off should accelerate the pace of development. We should concentrate energy to help the small number of poor villages and have them free themselves from poverty within fixed time. The per capita net income of the rural people in the municipality should increase by over 200 yuan per annum.

#### G. We should promote the combination of science and technology with the economy.

Science and technology are the first productive forces. Under the market economic conditions, commodity competition is essentially technology competition. We must exert efforts to accelerate technological progress and to increase technological contents. We should further implement the principle of relying on science and technology to rejuvenate the municipality, deepen the reform of the scientific and technological system, apply the market mechanism, take science and technological as a guide, and cultivate new economic growing points. It is necessary to grasp the "10 billion" project dominated by industrializing new high-tech; to comprehensively develop 20 key scientific and technological projects; to assimilate, absorb, and blaze new trails in advanced technologies; to accelerate the development and application of new products; and to popularize agricultural experimental projects. We should accelerate the construction of new technological industrial gardens; bring into play our advantages of scientific research organizations being concentrated and having a good new high-tech foundation and strong research and developing abilities; positively use foreign capital; and make great progress in jointly and cooperatively developing scientific and technological projects and new industries. It is necessary to set up the scientific and technological service system and grasp the construction of scientific and technological cooperation centers and technological exchange centers. It is necessary to bring into full play the functions of the institutions of higher learning, including Nankai University and Tsinghua University; the scientific research units established in Tianjin, and the scientific research organizations attached to the municipality. We should positively support the commercialization and industrialization of key scientific and technological findings. We should further strengthen the cooperation with the scientific research institutions and universities of Beijing and brotherly provinces and municipalities and extensively attract outstanding science professionals and

technicians at home and abroad. We should further foster the social practice of respecting knowledge and skilled persons, bringing the intellectuals' role in reform, opening up, and modernization into full play.

H. We should accelerate renovations of dangerous, shabby, one-story houses.

There are many dangerous, shabby one-story houses in Tianjin, and a considerable amount of people still live in such houses. In some houses, three generations live under the same roof, and they suffer from leaky roofs on rainy days and suffer from cold in winter. Going all out to solve this problem is an unshirkable duty of governments at all levels. Renovating dangerous, shabby, one-story houses will not only directly benefit the masses but will also help improve urban traffic conditions, help rebuild old city proper, and help develop the tertiary industry. It will provide more job opportunities for urban residents, and make urban areas more civilized. This is good and will even benefit many sides. This year is the first year to carry out the goal of rebuilding all dangerous, shabby, one-story houses in five to seven years. We must win in the very first battle. Six urban districts must strive to set a high record in the fields of removing old houses, renovating houses, and completing construction of houses. Within this year, efforts should be made to complete the building of 2.795 million square meters of houses. We should mobilize the initiative of all fields to raise funds through every possible means. In particular, we should actively utilize foreign funds. We should make overall arrangement and reasonable layout in line with the overall urban construction plan. Designs should be advanced and applicable, construction should be meticulous, and quality should be guaranteed to satisfy the masses. We should rebuild houses in strict accordance with policies, make the construction situation visible to the public, do away with unhealthy trends, curb all sorts of expenses, and try our best to reduce the burdens on enterprises and the masses.

**4. Strive To Promote the Development of Social Undertakings**

In the course of accelerating reform, opening up, and economic construction, we must go all out to build the socialist spiritual civilization and develop various social undertakings, as demanded by the principle of taking a two-handed approach and being tough with both hands, in an effort to maintain the coordinated development of the economy and society and promote the all-round progress of society.

A. We should make great efforts to bring educational undertakings to a new height.

To invigorate Tianjin and education, we should conscientiously implement the "China's Programs for Educational Reform and Development" and

Tianjin's "opinions on educational reform and education" and put education in a strategic position of development on a priority basis. This year, the basic education should be aimed at accomplishing the task of making the nine-year compulsory education universal and at consolidating the achievements in wiping out illiteracy. The secondary vocational education should be devoted to training a large number of specialized talents of various kinds and skilled laborers. The higher education should be geared to the demand of Tianjin's economic and social development and should be aimed at readjusting structure and layout, at building a number of key subjects, and at training a number of top qualified persons. Adult education should be devoted to continuously improving the quality of workers, with emphasis on personal training. We should accelerate the reform of educational structure and gradually establish an open and diversified system of running schools through the common efforts of various circles in society, with the government operation as the mainstay. The system of having headmasters of primary and middle schools assume responsibility for running schools should be actively popularized. A good external condition should be created for developing education. To this end, the proportion of educational allocations in the total financial expenditure should be raised to 19 percent, and additional educational allocations in urban areas should be raised to 3 percent. School-run enterprises should be developed to enhance the schools' ability of replenishing their own educational expenses. The whole society should pay attention to and give support to the basic education. We should conscientiously implement the "law on teachers," strengthen the building of the ranks of teachers, and safeguard teachers' treatment according to law in order to form a good atmosphere of respecting teachers and valuing education.

B. We should vigorously strengthen ideological and cultural construction.

We should arm all the people in the municipality with the theory of building a socialism with Chinese characteristics. We should do research on theories in philosophy and social sciences. We should firmly and unremittingly conduct education on patriotism, collectivism, and socialism. Heroic and model figures on all fronts should be commended on a large scale to inspire the workers' sense of being the masters of the country. Efforts should be made to strengthen the education on professional ethics and social ethics to form a good atmosphere of forging ahead in a healthy manner and making active progress.

We should continue to uphold the orientation of serving socialism and serving the people and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend," inherit and

carry forward the Chinese nation's outstanding culture, and learn from the achievements of the advanced civilizations of the world. We should greatly develop literature and art, press and publications, radio and television, and other cultural undertakings, uphold correct guidance of media, and make the cultural market thrive. We should exert active efforts to promote the reform of the cultural system, increase the investment in cultural undertakings, carry out the activities to build the "districts and counties with advanced community culture," strengthen the basic work for the culture of the masses, and improve the cultural networks at the municipal, district, and county levels. We should actively expand cultural cooperation and exchanges with foreign countries and do a good job in the protection, development, and utilization of scenic spots and historical sites to serve Tianjin's endeavors to open wider to the outside world and develop tourism.

#### C. We should actively prepare to host the world table tennis games.

The 43d world table tennis games will be the largest international sports event with far-reaching influence ever held by Tianjin and a major event in the social life of the people in the municipality. It will play an important role in displaying the outlook of Tianjin people and the achievements in its reform, opening up, and economic construction and in making Tianjin better known. Preparations for it will enter a crucial stage this year. People across the municipality should work actively, carry out extensive activities to "build a civilized city and be civilized citizens," and be a successful host to win honor for the state and for Tianjin. Construction of various facilities should be conscientiously built well, and the sports center, international radio and television news center, and satellite ground station should be built. Hotels should be built or rebuilt so that we will have full capacity to receive guests. We should actively and successfully raise funds through various measures and channels. We should step up efforts to improve the environment, do a good job in the greening the city and make it clean, conduct education on civility and politeness, improve service, and strive to turn Tianjin into a city good in caring for the environment, service, and order. We should do a good job in hosting the 12th Asian table tennis games and the eighth municipal sports games, and further facilitate Tianjin's sports development.

#### D. We should continue with the good job in family planning and public health.

We should pay close attention to and achieve success in family planning, which is a major event concerning the overall situation in economic construction and social development. We should strengthen supervision over food hygiene and hygiene in public facilities, do a good job in the

prevention and treatment of frequently occurring, contagious, and endemic diseases, and prevent serious epidemic. We should improve medical service and emergency-aid networks to make it more convenient for the people to see a doctor. We should persist in the combination of Chinese traditional medicine with western medicine, hold vocational training, strengthen medical research work, and strive to raise the level of medical service. We should also do a good job in rural cooperative medical work.

#### E. We should strive to create a good public security environment.

With a high spirit of responsibility, governments at all levels should defend the political and social stability throughout the municipality and continue to maintain Tianjin's leading position in the country in public security. They should organize forces to deal strict blows to serious criminal activities and wage special struggles, resolutely crack down on serious criminal activities according to law, strictly investigate and handle major and serious cases, and punish, according to the law, those guilty of economic crimes. We should make unremitting efforts to "wipe out pornography" and "eliminate the six vices." We should implement the "regulations of Tianjin Municipality on comprehensive management of public security," rely on the concerted efforts of the masses, advocate courage to defend a just cause, and establish a good social practice. We should further improve public security contingents and raise the political and vocational quality of cadres and policemen so that they uphold the sacred mission of safeguarding social security.

The People's Liberation Army [PLA] and the armed police force are the strong pillars of reform, opening up, and modernization. Governments at all levels should actively support the work of the PLA units in Tianjin, actively conduct activities on supporting the army, giving preferential treatment to families of revolutionary martyrs and servicemen, supporting the government, and cherishing the people, deeply conduct education on national defense, enhance the sense of national defense of all the people, do a good job in building people's air defense projects, and give full play to the important role of PLA units stationed in Tianjin and soldiers of the militia reserve service in economic construction and in safeguarding social security.

#### 5. We Should Further Strengthen the Building of Government

Governments at all levels have to shoulder heavy responsibilities to realize Tianjin's development objectives and fulfill this year's arduous tasks, therefore, they must realistically strengthen self-development. Leading cadres at all levels should renew their concepts, cultivate greater courage and vigor, promote the pioneering

spirit of the new period, and lead the broad masses of cadres to create a new situation in reform, opening up, and development.

We must uphold the ideological line of emancipating the mind and seeking truth from facts, continue to deeply study volume no.3 of the "Selected Works of Deng Xiaoping," enhance consciousness and steadfastness in implementing the party's basic line, uphold the "three criteria," thoroughly free ourselves from the shackles of ossified and old concepts, and boldly practice and blaze new trials. It is necessary to further implement the important directive given by Comrade Deng Xiaoping during his inspection of Tianjin on "being bolder and striving for more rapid development," act freely on what we think is conducive to Tianjin's development, and never disappoint the heavy trust of the party and the people of the municipality.

We should actively conduct organizational reform and realistically change the government functions. Governments at all levels should further simplify administration and delegate powers with the spirit of "giving less intervention but more services," and do more practical things for enterprises. All powers that are clearly defined for delegating to the lower levels must be in place. We must give all decisionmaking powers to enterprises that should be given to them, let the markets solve their own problems, reduce procedures while handling things which we should manage in an all-round manner, raise working efficiency, and realistically manage all things well. Reform of the administrative management system and organizations should be actively promoted in line with the principles of separating government functions from enterprise management, simplifying structures, and promoting unity and efficiency, and in accordance with the central plans. In all levels of state administrative organs, we should comprehensively promote the public service system, further improve the relationship between the municipality and various districts and counties, and give full play to the role of districts and counties in developing the economy and all social undertakings.

We should quicken our tempo to seek high efficiency and creatively carry out our work. Leading cadres at all levels should have the sense of urgency and mission to invigorate Tianjin, accelerate our pace in carrying out all tasks, strive to scale the height, and be the first. We should prepare to accomplish several things with strenuous efforts, go deeply to the reality and the masses to conduct investigation and study, keep our eyes inward to find out where we are lagging behind, keep our eyes downward to serve the lower levels, pay attention to unity, denotation, the overall situation, and discipline, give encouraging talks, and make efforts to boost the enthusiasm of the people. It is necessary to comprehensively promote the work target responsibility system, and make the people feel the pressure on their shoulders, all levels have responsibilities, each level to grasp the work of the next level, do a lot of thinking on their work, and never delay their work. Before making policy

decisions on things related to the overall situation, we may air our views. But when the decisions are decided, we must resolutely implement them and guarantee that all government orders will be smoothly carried out. At present, the situation is pressing, and we have no way to retreat. We should allow no delay, no obstacles to running when we are on track, and no obstacles to strictly enforcing orders or prohibitions.

We should pay attention to democracy and the legal system. Governments at all levels should further promote democracy and the legal system, conscientiously safeguard the democratic rights of the masses of people in their political, economic, and social life, establish and improve a democratic, and scientific policymaking system, prudently listen to opinions from all sectors, pool the wisdom of all, and enhance the policymaking level. We should conscientiously implement the relevant resolutions and decisions of the people's congresses and their standing committees, actively handle the motions, suggestions, criticism, and opinions raised by deputies, and consciously receive legal supervision and work supervision from the people's congresses of corresponding levels. We should give full play to the role of the CPPCC in political consultation and democratic supervision, respect the opinions of democratic parties, the federation of industry and commerce, people's organizations, and personages without party affiliation on the administration of government and state affairs, and make sure that consultation is conducted before decisions are made on major issues. We should fully develop the role of mass organizations, such as trade unions, the Communist Youth League, and women's federation, as bridges and channels. We should strengthen grass-roots democratic politics and improve the democratic management of enterprises and the systems of neighborhood committees and villagers' committees. We should conscientiously implement the party's policies on nationalities, religions, Taiwan affairs, and Overseas Chinese affairs. The government should do a good job in establishing the legal system, step up efforts to draft a number of local laws and regulations, actively formulate the government rules, and strive to use the legal means to manage the economy and society. All government personnel should perform official duties according to law and resolutely correct the phenomenon in which laws are not abided by or strictly enforced and law violations are not investigated. We should strengthen and improve the supervision of law enforcement by administrative departments, improve the contingents of law-enforcement personnel, and perfect legal service institutions. We should conduct in-depth education on disseminating laws to raise people's awareness of laws and the legal system.

We should conscientiously intensify the building of a clean government. Persistent struggles against numerous corrupt phenomena is the basic task of government building and an important guarantee for the smooth progress of reform and development. Governments at all levels should attach great importance to it

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and make it successful. All government personnel are only obligated to being honest and diligent in serving the people and never abusing power for personal gains. They should never do what the masses do not like and should always be the first to do what they ask the lower levels to do. We should establish and improve the mechanisms of supervision and restraint to ensure honesty, strengthen auditing and supervisory work, prevent and eliminate corrupt phenomena, and never allow trade of money with power. Leaders at all levels should take the lead in honesty and self-restraint and take the initiative in resisting unhealthy trends. Major cases on embezzlement, bribe-taking, and serious dereliction of duty should be strictly investigated and handled thoroughly no matter who is involved.

We should always adhere to the basic work idea of "doing everything for the people and relying on the people in doing everything." Seizing the opportunity to accelerate development, in the final analysis, depends on the enthusiasm, initiative, creativity, wisdom, and effort of the masses, without which, nothing can be accomplished. As all our leading cadres come from the masses, they must never forget the masses at all times and under all circumstances. They should think what the masses are thinking, be concerned about their hardships, and adopt every means possible to do practical and good work for them. We should persistently carry out the 20 practical jobs designed to improve urban and rural living standard and accomplish more in work closely related and directly benefitting the masses. All work concerning the basic life and vital interests of

the masses is of prime importance. We should exert greater efforts to realize a larger and faster increase in the people's income by developing the economy and broadening the channels for employment. Governments at all levels should give particular consideration to the staff members, workers, and retired personnel of the enterprises which have suspended production totally or partially and actively adopt measures to help them tackle difficulties. They should pay attention to people's petitions that come up in their letters and visits, and continue the special telephone line so that people will have places to rely on to take care of their difficulties. We should further develop our political advantages, conscientiously strengthen ideological and political work, most extensively mobilize and rely on the masses, mobilize all positive factors, and develop, protect, and guide the enthusiasm of the masses well.

## Fellow deputies!

The current situation is very good, opportunity is rare, people's expectations are ardent, and our tasks are heavy and journeys long. Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, let us rally closely round the party Central Committee with Comrade Jiang Zemin as the nucleus and, under the leadership of the party Central Committee, the State Council, and the Tianjin municipal party committee, unite as one, raise spirits, brave the way forward, work hard, and strive to win new success in Tianjin's reform, opening up, and modernization drive in 1994.

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